

UPLANDS METROPOLITAN DISTRICT NO. 1

Financial Statements

Year Ended December 31, 2025

with

Independent Auditor's Report

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Uplands Metropolitan District No. 1
Adams County, CO

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Uplands 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 the Uplands Metropolitan District No. 1 as of December 31, 2025, and the respective changes in financial position and the 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. 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Required Supplemental Information

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

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 noted in the table of contents are presented for purposes of additional analysis and are 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 combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

A handwritten signature in blue ink that reads "Flynn CPA, LLC". The signature is stylized and includes a horizontal line underneath the text.

Flynn CPA, LLC

Castle Pines, CO

August 25, 2026

UPLANDS METROPOLITAN DISTRICT NO. 1

BALANCE SHEET/STATEMENT OF NET POSITION GOVERNMENTAL FUNDS December 31, 2025

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>	<u>Adjustments</u>	Statement of <u>Net Position</u>
ASSETS						
Cash and investments	\$ 7,336	\$ -	\$ -	\$ 7,336	\$ -	\$ 7,336
Cash and investments - restricted	1,837	322	739	2,898	-	2,898
Receivable - County Treasurer	40	534	-	574	-	574
Property taxes receivable	14,012	186,842	-	200,854	-	200,854
Due from District #2	363	1,370	-	1,733	-	1,733
Prepaid expenses	8,379	-	-	8,379	-	8,379
Developer advance receivable	-	-	164	164	(164)	-
Due from other funds	2,965	-	-	2,965	(2,965)	-
Capital assets not being depreciated	-	-	-	-	52,435,687	52,435,687
Total Assets	<u>\$ 34,932</u>	<u>\$ 189,068</u>	<u>\$ 903</u>	<u>\$ 224,903</u>	<u>52,432,558</u>	<u>52,657,461</u>
LIABILITIES						
Accounts payable	\$ 2,773	\$ -	\$ 164	\$ 2,937	-	2,937
Due to other funds	-	2,226	739	2,965	(2,965)	-
Long-term liabilities:						
Due in more than one year	-	-	-	-	56,857,681	56,857,681
Total Liabilities	<u>2,773</u>	<u>2,226</u>	<u>903</u>	<u>5,902</u>	<u>56,854,716</u>	<u>56,860,618</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred property taxes	<u>14,012</u>	<u>186,842</u>	<u>-</u>	<u>200,854</u>	<u>-</u>	<u>200,854</u>
Total Deferred Inflows of Resources	<u>14,012</u>	<u>186,842</u>	<u>-</u>	<u>200,854</u>	<u>-</u>	<u>200,854</u>
FUND BALANCES/NET POSITION						
Fund Balances:						
Nonspendable:						
Prepays	8,379	-	-	8,379	(8,379)	-
Restricted:						
Emergencies	1,837	-	-	1,837	(1,837)	-
Unassigned	<u>7,931</u>	<u>-</u>	<u>-</u>	<u>7,931</u>	<u>(7,931)</u>	<u>-</u>
Total Fund Balances	<u>18,147</u>	<u>-</u>	<u>-</u>	<u>18,147</u>	<u>(18,147)</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 34,932</u>	<u>\$ 189,068</u>	<u>\$ 903</u>	<u>\$ 224,903</u>		
Net Position:						
Restricted for:						
Emergencies					1,837	1,837
Capital projects					-	-
Unrestricted					(4,405,848)	(4,405,848)
Total Net Position					<u>\$ (4,404,011)</u>	<u>\$ (4,404,011)</u>

The notes to the financial statements are an integral part of these statements.

UPLANDS METROPOLITAN DISTRICT NO. 1

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES/STATEMENT OF ACTIVITIES GOVERNMENTAL FUNDS For the Year Ended December 31, 2025

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
EXPENDITURES						
Accounting and audit	\$ 13,758	\$ -	\$ -	\$ 13,758	\$ -	\$ 13,758
Election expense	5,297	-	-	5,297	-	5,297
Insurance	9,281	-	-	9,281	-	9,281
Legal	28,169	-	3,109	31,278	-	31,278
Miscellaneous expenses	13,347	-	-	13,347	-	13,347
Treasurer's fees	165	2,200	-	2,365	-	2,365
Bond interest expense	-	149,667	-	149,667	1,517,777	1,667,444
Paying agent fees	-	8,500	-	8,500	-	8,500
Bond issuance costs	-	-	15,339	15,339	-	15,339
Capital outlay	-	-	43,574,002	43,574,002	(43,574,002)	-
Engineering	-	-	23,774	23,774	(23,774)	-
Developer advances - principal	-	-	19,274,338	19,274,338	(19,274,338)	-
Developer advances - interest	-	-	129,532	129,532	215,418	344,950
Total Expenditures	<u>70,017</u>	<u>160,367</u>	<u>63,020,094</u>	<u>63,250,478</u>	<u>(61,138,919)</u>	<u>2,111,559</u>
GENERAL REVENUES						
Property taxes	10,996	146,636	-	157,632	-	157,632
Specific ownership taxes	505	6,732	-	7,237	-	7,237
Transfer from District #2	144	1,358	-	1,502	-	1,502
Interest income	-	338	45,207	45,545	-	45,545
Total General Revenues	<u>11,645</u>	<u>155,064</u>	<u>45,207</u>	<u>211,916</u>	<u>-</u>	<u>211,916</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(58,372)	(5,303)	(62,974,887)	(63,038,562)	61,138,919	(1,899,643)
OTHER FINANCING SOURCES (USES)						
Bond proceeds	-	-	13,154,000	13,154,000	(13,154,000)	-
Developer advances	<u>76,443</u>	<u>5,018</u>	<u>43,613,629</u>	<u>43,695,090</u>	<u>(43,695,090)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>76,443</u>	<u>5,018</u>	<u>56,767,629</u>	<u>56,849,090</u>	<u>(56,849,090)</u>	<u>-</u>
NET CHANGES IN FUND BALANCES	18,071	(285)	(6,207,258)	(6,189,472)	6,189,472	
CHANGE IN NET POSITION					(1,899,643)	(1,899,643)
FUND BALANCES/NET POSITION:						
BEGINNING OF YEAR	76	285	6,207,258	6,207,619	(8,711,987)	(2,504,368)
END OF YEAR	<u>\$ 18,147</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,147</u>	<u>\$ (4,422,158)</u>	<u>\$ (4,404,011)</u>

The notes to the financial statements are an integral part of these statements.

UPLANDS METROPOLITAN DISTRICT NO. 1

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended December 31, 2025

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
REVENUES				
Property taxes	\$ 10,994	\$ 10,994	\$ 10,996	\$ 2
Specific ownership taxes	660	660	505	(155)
Transfer from District #2	<u>203</u>	<u>203</u>	<u>144</u>	<u>(59)</u>
Total Revenues	<u>11,857</u>	<u>11,857</u>	<u>11,645</u>	<u>(212)</u>
EXPENDITURES				
Accounting and audit	14,000	14,000	13,758	242
Election expense	5,000	5,300	5,297	3
Insurance	8,400	9,300	9,281	19
Legal	30,000	29,000	28,169	831
Miscellaneous expenses	1,997	14,000	13,347	653
Treasurer's fees	330	330	165	165
Transfer to other Districts	-	-	-	-
Contingency	-	3,070	-	3,070
Emergency reserve	<u>1,792</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>61,519</u>	<u>75,000</u>	<u>70,017</u>	<u>4,983</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(49,662)	(63,143)	(58,372)	4,771
OTHER FINANCING SOURCES (USES)				
Developer advances	<u>49,662</u>	<u>63,067</u>	<u>76,443</u>	<u>13,376</u>
Total Other Financing Sources (Uses)	<u>49,662</u>	<u>63,067</u>	<u>76,443</u>	<u>13,376</u>
NET CHANGE IN FUND BALANCE	-	(76)	18,071	18,147
FUND BALANCE:				
BEGINNING OF YEAR	<u>-</u>	<u>76</u>	<u>76</u>	<u>-</u>
END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 18,147</u></u>	<u><u>\$ 18,147</u></u>

The notes to the financial statements are an integral part of these statements.

UPLANDS METROPOLITAN DISTRICT NO. 1

Notes to Financial Statements December 31, 2025

Note 1: Summary of Significant Accounting Policies

The accounting policies of the Uplands Metropolitan District No. 1, located in the City of Westminster, Adams County, Colorado, conform to the accounting principles generally accepted in the United States of America ("GAAP") as applicable to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies consistently applied in the preparation of financial statements.

Definition of Reporting Entity

The District was organized by order and decree of the District Court for Adams County (the "County") on December 2, 2022, as a quasi-municipal corporation and political subdivision of the State of Colorado and is governed under provisions of the State of Colorado Special District Act. The District operates under a Service Plan approved by the City of Westminster on September 12, 2022. The District was established to provide financing for the planning, design, acquisition, construction, installation, relocation and redevelopment of water, streets, sanitation, landscaping, parks and recreation, and traffic and safety improvements (the "Public Improvements"). The District was established to finance and construct certain Public Improvements that benefit the property owners and taxpayers of the District. The District's primary revenues are property taxes and intergovernmental revenue. The District is governed by an elected Board of Directors.

As required by GAAP, these financial statements present the activities of the District, which is legally separate and financially independent of other state and local governments. The District follows the GASB pronouncements, which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB sets forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency. The pronouncements also require including a possible component unit if it would be misleading to exclude it.

The District is not financially accountable for any other organization. The District has no component units as defined by the GASB.

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

Basis of Presentation

The accompanying financial statements are presented per GASB Statement No. 34 - Special Purpose Governments.

UPLANDS METROPOLITAN DISTRICT NO. 1

Notes to Financial Statements December 31, 2025

The government-wide financial statements (i.e. the governmental funds balance sheet/statement of net position and the governmental funds statement of revenues, expenditures, and changes in fund balances/statement of activities) report information on all of the governmental activities of the District. The statement of net position reports all financial and capital resources of the District. The difference between the (a) assets and deferred outflows of resources and the (b) liabilities and deferred inflows of resources of the District is reported as net position. The statement of activities demonstrates the degree to which expenditures/expenses of the governmental funds are supported by general revenues. For the most part, the effect of interfund activity has been removed from these statements.

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*.

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 the related cash flows. Property taxes are recognized as revenues in the year for which they are 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 material sources of revenue subject to accrual are property taxes and interest. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is paid.

The District reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources not accounted for and reported in another fund.

UPLANDS METROPOLITAN DISTRICT NO. 1

Notes to Financial Statements December 31, 2025

Debt Service Fund – The Debt Service Fund is used to account for all financial resources that are restricted, committed or assigned to expenditures for principal, interest and other debt related costs.

Capital Projects Fund – The Capital Projects Fund is used to account for all financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other assets.

Budgetary Accounting

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

On October 29, 2025, the District amended its total appropriations in the Capital Projects Fund from \$44,782,982 to \$54,543,402 primarily due to expenses over the amount that was budgeted. On July 9, 2026, the District amended its total appropriations in the General Fund from \$61,519 to \$75,000 primarily due to expenses over the amount that was budgeted and in the Debt Service Fund from \$155,499 to \$160,700 due to the increase in the amount that was available to pay bond interest over the amount that was budgeted and further amended its total appropriations in the Capital Projects Fund from \$54,543,402 to \$63,473,200 primarily due to expenses over the amount that was budgeted.

Assets, Liabilities and Net Position

Fair Value of Financial Instruments

The District's financial instruments include cash and investments, 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

The District's cash and investments are considered to be cash on hand and short-term investments with maturities of three months or less from the date of acquisition.

The District follows the practice of pooling cash 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.

UPLANDS METROPOLITAN DISTRICT NO. 1

Notes to Financial Statements December 31, 2025

Interfund Balances

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds”. These amounts are eliminated in the Statement of Net Position.

Estimates

The preparation of these financial statements in conformity with GAAP requires the District management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Deferred Outflows/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 position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District does not have any items that qualify for reporting in this category.

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 position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Deferred property taxes are deferred and recognized as an inflow of resources in the period that the amounts become available.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of three 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.

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.

UPLANDS METROPOLITAN DISTRICT NO. 1

Notes to Financial Statements December 31, 2025

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or if in equal installments, at the taxpayers' election, in February and June. Delinquent taxpayers are notified in July or August and the sales of the resultant tax liens on delinquent properties are generally 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 in the year they are levied and measurable since they are not normally available nor are they budgeted as a resource until the subsequent year. The deferred property taxes are recorded as revenue in the subsequent year when they are available or collected.

Fund Balance

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. Because circumstances differ among governments, not every government or every governmental fund will present all of these components.

The following classifications make the nature and extent of the constraints placed on a government's fund balance more transparent:

Nonspendable Fund Balance

Nonspendable fund balance includes amounts that cannot be spent because they are either not spendable in form (such as inventory or prepaids) or are legally or contractually required to be maintained intact.

The nonspendable fund balance in the General Fund in the amount of \$8,379 represents prepaid expenditures.

Restricted Fund Balance

The restricted fund balance includes amounts restricted for a specific purpose by external parties such as grantors, bondholders, constitutional provisions or enabling legislation.

The restricted fund balance in the General Fund represents Emergency Reserves that have been provided as required by Article X, Section 20 of the Constitution of the State of Colorado. A total of \$1,837 of the General Fund balance has been restricted in compliance with this requirement.

UPLANDS METROPOLITAN DISTRICT NO. 1

Notes to Financial Statements December 31, 2025

Committed Fund Balance

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

Assigned Fund Balance

Assigned fund balance includes amounts the District intends to use for a specific purpose. Intent can be expressed by the District's Board of Directors or by an official or body to which the Board of Directors delegates the authority.

Unassigned Fund Balance

Unassigned fund balance includes amounts that are available for any purpose. Positive amounts are reported only in the General Fund, all funds can report negative amounts.

For the classification of Governmental Fund balances, the District considers an expenditure to be made from the most restrictive first when more than one classification is available.

Net Position

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

Net investment in capital assets – consists of net capital assets, reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.

Restricted net position – net position is considered restricted if their 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.

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 an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District will use the most restrictive net position first.

UPLANDS METROPOLITAN DISTRICT NO. 1

Notes to Financial Statements December 31, 2025

The District has a deficit in unrestricted net position as of December 31, 2025. This deficit amount is the result of the payment of organizational costs and bond issuance costs that were paid from bond proceeds.

Adoption of New Accounting Standards

In December 2023, the GASB issued Statement No. 102, Certain Risk Disclosures ("Statement 102"). Statement 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.

The District adopted the requirements of the guidance effective January 1, 2025, and has elected to apply the provisions of this standard to the beginning of the period of adoption. Management performed the analysis required under Statement 102 and did not identify any concentrations or constraints that require disclosure.

Note 2: Cash and investments

As of December 31, 2025, cash and investments are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and investment	\$ 7,336
Cash and investment – Restricted	<u>2,898</u>
Total	\$ <u>10,234</u>

Cash and investments as of December 31, 2025, consist of the following:

Deposits with financial institutions	\$ 9,174
Investments – Invesco	<u>1,060</u>
	\$ <u>10,234</u>

Deposits

Custodial Credit Risk

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

UPLANDS METROPOLITAN DISTRICT NO. 1

Notes to Financial Statements December 31, 2025

The District does not have a formal policy for deposits. None of the District's deposits were exposed to custodial credit risk.

Investments

Investment Valuation

The District categorizes its fair value measurements 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. Investments not measured at fair value and not categorized include governmental money market funds (PFM Funds Governmental Select series); money market funds (generally held by Bank Trust Departments in their role as paying agent or trustee); and CSAFE which record their investments at amortized cost. The District's investments are not required to be categorized within the fair value hierarchy. This investments' values are calculated using the net asset value method (NAV) per share.

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 certain U.S. Government agency entities, certain money market funds, guaranteed investment contracts, and local government investment pools.

Custodial and Concentration of Credit Risk

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

Interest Rate Risk

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

As of December 31, 2025, the District had the following investment:

Invesco Short-Term Investments Trust

The Invesco Short-Term Investments Trust ("Invesco") is rated AAAM by Standard & Poor's and the maturity is weighted average under 47 days. Invesco records its investments at fair value and the District records its investment in Invesco using the net asset value method. The fund is a money market fund with each share maintaining a value of \$1.00. The money market fund invests in short-term, high credit quality money market instruments. These instruments are direct obligations of the US Treasury and repurchase agreements backed by Treasury obligations. At December 31, 2025, the District had \$1,060 invested in Invesco held by a trustee.

UPLANDS METROPOLITAN DISTRICT NO. 1

Notes to Financial Statements December 31, 2025

Note 3: Capital Assets

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

<u>Governmental Type Activities:</u>	<u>Balance 1/1/25</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/25</u>
<u>Capital assets not being depreciated:</u>				
Construction in progress	<u>\$8,837,911</u>	<u>\$ 43,597,776</u>	<u>\$ -</u>	<u>\$ 52,435,687</u>
Total capital assets not being depreciated	<u>8,837,911</u>	<u>43,597,776</u>	<u>-</u>	<u>52,435,687</u>
Government type assets, net	<u><u>\$8,837,911</u></u>	<u><u>\$ 43,597,776</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 52,435,687</u></u>

Note 4: Long Term Debt

A description of the long-term obligations as of December 31, 2025, is as follows:

Limited Tax General Obligation Bonds Series 2023A

On September 28, 2023, the District issued \$15,940,000 of Limited Tax General Obligation Bonds (the “Series 2023A Bonds”). The Series 2023A Bonds were issued for the purposes of funding the costs of public improvements for the benefit of the District and paying the costs of issuance of the Series 2023A Bonds and Series 2023B(3) Bonds (as defined below). The Series 2023A Bonds bear interest at the rate of 7.50%, payable annually on December 1, commencing on December 1, 2023, to the extent that Pledged Revenue is available. The Series 2023A Bonds are secured by Pledged Revenues including the Senior Required Mill Levy (as defined in the Indenture of Trust for the Series 2023A Bonds or the “Series 2023A Indenture”), specific ownership taxes attributable to the District’s Required Mill Levy, facilities fees and any other legally available moneys that the District determines, in its absolute discretion, to transfer to the Indenture Trustee for application as Pledged Revenue.

The Series 2023A Bonds are “cash flow” bonds meaning that no regularly scheduled principal payments are due prior to the maturity date, and interest not paid will accrue and compound until there is sufficient Pledged Revenue for payment. In the event any amounts due and owing on the Series 2023A Bonds remain outstanding on December 1, 2063, such amounts shall be deemed discharged and shall no longer be due and outstanding.

The Series 2023A Bonds are also subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$1,000, in any order of maturity and in whole or partial maturities, on September 1, 2028, and on any date thereafter, upon payment of the par, accrued interest and a redemption premium equal to a percentage of the principal amount so redeemed, as follows:

UPLANDS METROPOLITAN DISTRICT NO. 1

Notes to Financial Statements December 31, 2025

3% of the amount redeemed from September 1, 2028 to August 31, 2029
2% of the amount redeemed from September 1, 2029 to August 31, 2030
1% of the amount redeemed from September 1, 2030 to August 31, 2031
Redemptions on and after September 1, 2031 are at par

Due to the uncertainty of the timing of the principal and interest on the Series 2023A Bonds, a schedule of the estimated timing of these payments is not available.

In accordance with the Series 2023A Bond documents, due to the limited nature of the pledged revenues, the District will not be in default of its obligations by reason of failure to pay interest or principal when due. Any unpaid interest will compound on the due date commencing December 1, 2023. Acceleration of the Series 2023A Bonds is not to be an available remedy for an Event of Default.

Subordinate Limited Tax General Obligation Bonds Series 2023B₍₃₎

On September 28, 2023, the District issued the Subordinate Limited Tax General Obligation Bonds (the “Series 2023B₍₃₎ Bonds”). The Series 2023B₍₃₎ Bonds were issued to secure future advances of the landowners to the District and are draw down bonds with the ability be drawn down up to a maximum amount of \$28,097,000. The Series 2023B₍₃₎ Bonds bear interest at the rate of 5.00%, payable annually on December 15, commencing on the first December 15 following the first Draw Date (as defined in the Series 2023 B₍₃₎ Indenture, defined below), to the extent that Pledged Revenue is available. The Series 2023B₍₃₎ Bonds are secured by Pledged Revenues including the Subordinate Required Mill Levy (as defined in the Indenture of Trust for the Series 2023B₍₃₎ Bonds or the “Series 2023B₍₃₎ Indenture”), specific ownership taxes attributable to the District’s Subordinate Required Mill Levy, facilities fees and any other legally available moneys that the District determines, in its absolute discretion, to transfer to the Indenture Trustee for application as Pledged Revenue. During 2025, the District had drawn down the Series 2023B₍₃₎ Bonds in the amount of \$13,154,000.

The Series 2023B₍₃₎ Bonds are “cash flow” bonds meaning that no regularly scheduled principal payments are due prior to the maturity date, and interest not paid will accrue and compound until there is sufficient Pledged Revenue for payment. In the event any amounts due and owing on the Series 2023B₍₃₎ Bonds remain outstanding on December 15, 2063, such amounts shall be deemed discharged and shall no longer be due and outstanding.

The Series 2023B₍₃₎ Bonds are also subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$1,000, on any date, upon payment of par and accrued interest, with no redemption premium.

Due to the uncertainty of the timing of the principal and interest on the Series 2023B₍₃₎ Bonds, a schedule of the estimated timing of these payments is not available.

UPLANDS METROPOLITAN DISTRICT NO. 1

Notes to Financial Statements December 31, 2025

In accordance with the Series 2023B₍₃₎ Bond documents, due to the limited nature of the pledged revenues, the District will not be in default of its obligations by reason of failure to pay interest or principal when due. Any unpaid interest will compound on the due date commencing on the first December 15 following the first Due Date. Acceleration of the Series 2023B₍₃₎ Bonds is not to be an available remedy for an Event of Default.

Developer Advances

On August 22, 2023, the District and Westminster OC, LLC (“Westminster”) entered into a 2023 Administration Funding Agreement with an effective date of January 1, 2023. Pursuant to the 2023 Administration Funding Agreement, Westminster agrees to advance funds or expend funds on behalf of the District for administration expenses on as periodic basis as needed for the fiscal year 2023 up to the shortfall amount of \$25,000. This agreement was amended on December 4, 2023, to increase the shortfall through 2024 to \$80,000 and extend the term through 2024. This agreement was further amended on November 4, 2024, to increase the Shortfall through 2025 to \$140,000 and extend the term through 2025. This agreement was further amended on October 29, 2025, to increase the shortfall through 2026 to \$180,000 and extend the term through 2026. The District shall repay the advances made under the 2023 Administration Funding Agreement together with interest at the rate of 5% per annum from the date any such advance is made or from date of direct payment by Westminster, until paid. Payments to reimburse Westminster shall be made on December 2 of each year and shall be applied first to the accrued and unpaid interest and then to the principal amount due pursuant to this Agreement. Any obligation of the District to reimburse Westminster shall expire on December 31, 2066. In the event the District has not reimbursed Westminster for any advances made pursuant to this agreement on or before December 31, 2066, any amount of principal and accrued interest outstanding on such date shall be deemed to be discharged and satisfied in full. The District intends to repay any advances pursuant to this agreement from taxes, fees rates, tolls, penalties and charges and from any other revenues legally available, after the payment of its annual debt service obligations and annual administration expenses, which repayment is subject to annual budget and appropriation. As of December 31, 2025, the District had \$194,502 of developer advances payable under the agreement, which includes \$8,624 of accrued interest.

On August 22, 2023, the District, Westminster and Westminster Neighborhood Mixed Use, LLC (“Neighborhood”) entered into a Developer Facilities Funding and Acquisition Agreement (the “Acquisition Agreement”). Pursuant to the Acquisition Agreement, (I) Neighborhood will enter into a Waiver and Release of Reimbursement Rights Agreement with each Builder for the design, construction and completion of certain Public Improvements as more particularly set forth in the Acquisition Agreement; or (II) Neighborhood and Westminster may self-perform design and construction activities on the same terms and provisions as set forth in a Waiver and Release of Reimbursement Rights Agreement; or (III) Neighborhood will advance funds to the District for the payment of Construction Related Expenses. Within the earlier to occur of: (i) 10 days of the sale of any portion of the Property to a Builder, or (ii) 10 days following the mutual execution hereof for any sale of any portion of the Property to a Builder that occurred prior to the date hereof, Neighborhood will provide to the District an

UPLANDS METROPOLITAN DISTRICT NO. 1

Notes to Financial Statements December 31, 2025

executed Waiver and Release of Reimbursement Rights Agreement, which sets forth the terms pursuant to which the Public Improvements will be accepted by the District and the Verified Costs thereof will be reimbursed. Pursuant to the Agreement, the District agrees to pay Westminster or Neighborhood the Payment Obligation (as defined in the Acquisition Agreement) in accordance with joint written instructions from Westminster and Neighborhood. The Payment Obligation shall be payable from (A) proceeds of Publicly Offered Bonds; (B) the issuance to Westminster or Neighborhood, as applicable, of the Series 2023B₍₃₎ Bonds; or (C) at such time as no proceeds of Publicly Offered Bonds are available and no Series 2023B₍₃₎ Bonds remain to be issued, at the election of Westminster and Neighborhood, the issuance of Reimbursement Obligations. The District shall have no obligation to make any reimbursement or disbursement unless and until it receives joint written instructions from Westminster and Neighborhood. Simple interest shall accrue on Organization Expenses and Verified Costs at the rate of 5% per annum from the date expended or deposited with the District, until the date of payment. The District shall not be obligated to accept any improvements or make any payments to Westminster or Neighborhood incurred after the date of the Agreement, which are not invoiced to the District within 180 days of the date incurred. This Agreement shall automatically terminate in its entirety upon (i) the final acceptance for ownership, operation and maintenance of the Public Improvements by the appropriate accepting jurisdiction and the full payment to Westminster and Neighborhood of any amount due hereunder or (ii) by December 31, 2063. In the event this Agreement is terminated pursuant to provision (ii), any amount of principal and accrued interest outstanding on such date shall be deemed to be forever discharged and satisfied in full. As of December 31, 2025, the District had \$24,520,568 of developer advances payable under the Acquisition Agreement. which includes \$209,414 of accrued interest

The following is an analysis of changes in long-term debt for the year ending December 31, 2025:

	Balance 12/31/24	Additions	Deletions	Balance 12/31/25	Current Portion
<u>General Obligation Bonds</u>					
Limited Tax General Obligation Bonds					
Series 2023A	\$ 15,940,000	\$ -	\$ -	\$ 15,940,000	\$ -
Limited Tax General Obligation Bonds					
Series 2023A - Accrued Interest	1,530,834	1,313,017	(149,667)	2,694,184	-
Subordinate Limited Tax General					
Obligation Bonds, Series 2023B(3)	-	13,154,000	-	13,154,000	-
Subordinate Limited Tax General					
Obligation Bonds, Series 2023B(3) -					
Accrued Interest	-	354,427	-	354,427	-
Total	17,470,834	14,821,444	(149,667)	32,142,611	-
<u>Other</u>					
Developer Advance - Operating	76,444	109,434	-	185,878	-
Developer accrued interest - Operating	2,620	6,004	-	8,624	-
Developer Advance - Capital	-	43,585,492	(19,274,338)	24,311,154	-
Developer accrued interest - Capital	-	338,946	(129,532)	209,414	-
Total	79,064	44,039,876	(19,403,870)	24,715,070	-
	<u>\$ 17,549,898</u>	<u>\$ 58,861,320</u>	<u>\$ (19,553,537)</u>	<u>\$ 56,857,681</u>	<u>\$ -</u>

UPLANDS METROPOLITAN DISTRICT NO. 1

Notes to Financial Statements December 31, 2025

The District was organized to provide services to the same service area with District No. 2 (the “Districts”) pursuant to the Consolidated Service Plan. The Districts, in aggregate, are limited in their ability to issue Debt as set forth in the Service Plan to a total amount of \$55,765,000 (the “Service Plan Aggregate Debt Issuance Limit”). In no event is the District authorized to issue Debt which, in aggregate with the Debt issued by the other Districts, exceeds the Service Plan Aggregate Debt Issuance Limit; provided, however, that the Service Plan Aggregate Debt Issuance Limit does not apply to refunding Debt. As of December 31, 2025, the amount of debt authorization remaining within the Service Plan Aggregate Debt Issuance Limit is \$11,728,000. The District’s voters have authorized the District to issue Debt in accordance with the Service Plan Aggregate Debt Issuance Limit. In the future, the District may issue a portion or all of the remaining Service Plan Aggregate Debt Issuance Limit for purposes of providing public improvements to support development as it occurs within the Districts’ service area. As of December 31, 2025, the District and Uplands Metropolitan District No. 2 (“District No. 2” and collectively the “Districts”) had remaining voted debt authorization of approximately \$234,788,000.

Note 5: Intergovernmental Agreements

Senior Capital Pledge Agreement

On September 1, 2023, the District and District No. 2 entered into a Senior Capital Pledge Agreement. Under the Senior Capital Pledge Agreement, District No. 2 pledged the Senior Pledged Revenue to the repayment of the District’s Series 2023A Bonds from revenues generated from the imposition of the Senior Required Mill levy. District No. 2 shall impose an ad valorem mill levy upon all taxable property of District No. 2 in the maximum amount of 20.00 mills (subject to adjustment after September 12, 2022 for any changes in the method of calculating assessed or actual valuation by the State Legislature or any constitutionally mandated tax credit, cut or abatement) (when combined with other revenues of District No. 2 and the District) to pay annual financing costs. The Senior Capital Pledge Agreement will terminate the earlier of: (a) the date on which all amounts due with respect to the Series 2023A Bonds and any additional senior obligations have been defeased or paid in full; or (b) December 31, 2063. In no event shall the Districts be obligated to impose any portion of the Senior Required Mill Levy, as defined in the Senior Capital Pledge Agreement, after tax levy year 2062 (for collection in calendar year 2063).

Subordinate Capital Pledge Agreement

On September 1, 2023, the District and District No. 2 entered into a Subordinate Capital Pledge Agreement. Under the Subordinate Capital Pledge Agreement, District No. 2 pledged the Subordinate Pledged Revenue to the repayment of the District’s Series 2023B₍₃₎ Bonds from revenues generated from the imposition of the Subordinate Required Mill levy. District No. 2 shall impose an ad valorem mill levy upon all taxable property of District No. 2 in the maximum amount of 20.00 mills (subject to adjustment after September 12, 2022 for any changes in the method of calculating assessed or actual valuation by the State Legislature or any constitutionally mandated tax credit, cut or abatement) (when

UPLANDS METROPOLITAN DISTRICT NO. 1

Notes to Financial Statements December 31, 2025

combined with other revenues of District No. 2 and the District) to pay annual financing costs. The Subordinate Capital Pledge Agreement will terminate the earlier of: (a) the date on which all amounts due with respect to the Series 2023B₍₃₎ Bonds and any additional subordinate obligations have been defeased or paid in full; or (b) December 31, 2063. In no event shall the Districts be obligated to impose any portion of the Subordinate Required Mill Levy, as defined in the Subordinate Capital Pledge Agreement, after tax levy year 2062 (for collection in calendar year 2063).

Joint Resolution regarding Coordinated Operations and Financing and Construction of Public Improvements

The Districts entered into a Joint Resolution of Uplands Metropolitan District No. 1 and Uplands Metropolitan District No. 2 regarding Coordinated Operations and Financing and Construction of Public Improvements (the “Joint Resolution”). Pursuant to the Joint Resolution, the Districts agree that District No. 1 shall provide for the financing, construction, design, operation and maintenance of the Public Improvements, as well as the overall administration of the Districts. The District may issue bonds to pay for all or a portion of the Public Improvements and District No. 2 agrees to execute a capital pledge agreement whereby District No. 2 agrees to impose a mill levy and remit the revenues therefrom for repayment of the District No. 1 Bonds. Proceeds of the Bonds will be utilized to pay for spine infrastructure within the Project that benefit both District No 1 and District No. 2 and which spine infrastructure is necessary for development to occur both within the District and District No. 2. District No. 2 further agrees to impose an operations mill levy in an amount sufficient to pay for its share of administrative and operational expenses incurred by the District, however, in no event shall the District No. 2 operations mill levy exceed the maximum amount allowed under the Service Plan.

Note 6: Related Parties

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

Note 7: Tax, Spending and Debt Limitations

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

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

UPLANDS METROPOLITAN DISTRICT NO. 1

Notes to Financial Statements December 31, 2025

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 8: Risk Management

Except as provided in the Colorado Governmental Immunity Act, 24-10-101, et seq., CRS, the District may be exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets; errors or omissions; injuries to agents; and natural disasters. The District has elected to participate in the Colorado Special Districts Property and Liability Pool ("Pool") which is an organization created by intergovernmental agreement to provide common liability and casualty insurance coverage to its members at a cost that is considered economically appropriate. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for auto, public officials' liability, and property and general liability coverage. In the event aggregated losses incurred by the Pool exceed its amounts recoverable from reinsurance contracts and its accumulated reserves, the District may be called upon to make additional contributions to the Pool on the basis proportionate to other members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

Note 9: Reconciliation of Government-Wide Financial Statements and Fund Financial Statements

The Governmental Funds Balance Sheet/Statement of Net Position includes an adjustments column. The adjustments have the following elements:

- 1) Capital improvements used in government activities are not financial resources and, therefore are not reported in the funds; and
- 2) long-term liabilities such as bonds payable, developer advances and accrued developer advance/bond interest payable are not due and payable in the current period and, therefore, are not in the funds.

UPLANDS METROPOLITAN DISTRICT NO. 1

Notes to Financial Statements
December 31, 2025

The Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities includes an adjustments column. The adjustments have the following elements:

- 1) Governmental funds report capital outlays as expenditures, however, in the statement of activities, the costs of those assets are held as construction in process pending transfer to other governmental entities or depreciated over their useful lives;
- 2) governmental funds report interest expense on the modified accrual basis; however, interest expense is reported on the full accrual method on the Statement of Activities;
- 3) governmental funds report developer advances and/or bond proceeds as revenue; and,
- 4) governmental funds report long-term debt payments as expenditures, however, in the statement of activities, the payment of long-term debt is recorded as a decrease of long-term liabilities.

SUPPLEMENTAL INFORMATION

UPLANDS METROPOLITAN DISTRICT NO. 1

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - DEBT SERVICE FUND

For the Year Ended December 31, 2025

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
REVENUES				
Property taxes	\$ 146,613	\$ 146,636	\$ 146,636	\$ -
Specific ownership taxes	7,534	6,800	6,732	(68)
Transfer from District #2	1,352	1,352	1,358	6
Interest income	<u>-</u>	<u>500</u>	<u>338</u>	<u>(162)</u>
Total Revenues	<u>155,499</u>	<u>155,288</u>	<u>155,064</u>	<u>(224)</u>
EXPENDITURES				
Bond interest expense	144,101	150,000	149,667	333
Paying agent fees	7,000	8,500	8,500	-
Treasurer's fees	<u>4,398</u>	<u>2,200</u>	<u>2,200</u>	<u>-</u>
Total Expenditures	<u>155,499</u>	<u>160,700</u>	<u>160,367</u>	<u>333</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(5,412)	(5,303)	109
OTHER FINANCING SOURCES (USES)				
Developer advances	<u>-</u>	<u>5,127</u>	<u>5,018</u>	<u>(109)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>5,127</u>	<u>5,018</u>	<u>(109)</u>
NET CHANGE IN FUND BALANCE	-	(285)	(285)	-
FUND BALANCE:				
BEGINNING OF YEAR	<u>-</u>	<u>285</u>	<u>285</u>	<u>-</u>
END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of these statements.

UPLANDS METROPOLITAN DISTRICT NO. 1

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CAPITAL PROJECTS FUND

For the Year Ended December 31, 2025

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES				
Interest income	\$ 450,000	\$ 46,000	\$ 45,207	\$ (793)
Total Revenues	<u>450,000</u>	<u>46,000</u>	<u>45,207</u>	<u>(793)</u>
EXPENDITURES				
Legal	15,000	3,200	3,109	91
Capital outlay	33,752,982	44,000,000	43,574,002	425,998
Engineering	15,000	24,000	23,774	226
Bond issuance costs	-	16,000	15,339	661
Developer advances - principal	10,000,000	19,300,000	19,274,338	25,662
Developer advances - interest	<u>1,000,000</u>	<u>130,000</u>	<u>129,532</u>	<u>468</u>
Total Expenditures	<u>44,782,982</u>	<u>63,473,200</u>	<u>63,020,094</u>	<u>453,106</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(44,332,982)	(63,427,200)	(62,974,887)	452,313
OTHER FINANCING SOURCES (USES)				
Developer advances	10,000,000	44,065,942	43,613,629	(452,313)
Bond proceeds	<u>28,097,000</u>	<u>13,154,000</u>	<u>13,154,000</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>38,097,000</u>	<u>57,219,942</u>	<u>56,767,629</u>	<u>(452,313)</u>
NET CHANGE IN FUND BALANCE	(6,235,982)	(6,207,258)	(6,207,258)	-
FUND BALANCE:				
BEGINNING OF YEAR	<u>6,235,982</u>	<u>6,207,258</u>	<u>6,207,258</u>	<u>-</u>
END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of these statements.