BLUE LAKE METROPOLITAN DISTRICT NO. 1

SPECIAL MEETING AGENDA

BOARD OF DIRECTORS	**OFFICE**	**TERM EXPIRES**
Mark Bush	President	May 2027
Charles Foster	Secretary/Treasurer	May 2027
John Fair	Assistant Secretary	May 2027
Russell Watterson, Sr.	Assistant Secretary	May 2029
Vacant	Assistant Secretary	May 2029

DATE: **Thursday, July 30, 2026**
TIME: **1:05 PM**

Join Zoom Meeting
https://us06web.zoom.us/j/89946403649?pwd=3A4UMaAsS1lrx0wu64ZyaA1ymhzHGH.1

Meeting ID: 899 4640 3649
Passcode: 372342

One tap mobile
+17207072699,,89946403649# US (Denver)
+17193594580,,89946403649# US

ADMINISTRATIVE ITEMS:

a. Call to Order and Declaration of Quorum
b. Present Disclosures of Potential Conflicts of Interest
c. Approve Agenda
d. Review and Approve Minutes of November 5, 2025, District Meeting (enclosure)

PUBLIC COMMENT: **(For non-agenda items, 3-minutes time limit per speaker)**

FINANCIAL ITEMS:

e. Review and Consider Approval of the 2025 Audit (enclosure)
f. Review, Ratify and/or Approve the Payment of Claims (enclosure)
g. Review of Unaudited Financials (enclosure)

LEGAL ITEMS:

a. Review and Consider Approval of Resolution Designating Location to Post Notice (enclosure)
b. Review and Consider the Acceptance of the Deed for the Tracts (enclosure)

OTHER BUSINESS:

ADJOURNMENT:

RECORD OF PROCEEDING

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF:

BLUE LAKE METROPOLITAN DISTRICT NO. 1

HELD WEDNESDAY, NOVEMBER 5, 2025, AT 12:00 PM

ADMINISTRATIVE ITEMS

The special meeting of the Board of Directors of the Blue Lake Metropolitan District No. 1, Weld County, Colorado was called to order on the day shown above by Mark Bush in accordance with the laws of the State of Colorado. The following Directors were acting:

Mark Bush, President
Charles Foster, Secretary/Treasurer
John Fair, Assistant Secretary
Russell Watterson, Sr., Assistant Secretary

Also present was:
Joel Meggers, Kim Alex and Rhonda Bilek, Community Resources of Colorado, LLC
Matthew Ruhland, Cockrel Ela Glesne Greher & Ruhland, P.C.

CALL TO ORDER

A quorum of the Board was present, and the meeting was called to order at 12:07 p.m.

CONFLICTS OF INTEREST

Mr. Ruhland advised the Board that under Colorado law, certain disclosures are required before the Board can take official action at the meeting. The Board reviewed the agenda for the meeting and confirmed the contents of the written disclosures they had previously made and stated the fact and summary nature of the individual interests that are set forth in the disclosures, as required under Colorado law, so that official action could be taken at the meeting.

APPROVE AGENDA

Director Watterson motioned to approve the agenda as presented. Upon second by Director Bush, a vote was taken, and the motion carried unanimously.

MINUTES

Director Watterson moved to approve the minutes of the meetings held on July 15, 2025, and September 3, 2025, as presented. Upon second by Director Bush, a vote was taken, and the motion carried unanimously.

PUBLIC COMMENT

There was none.

FINANCIAL MATTERS

a. **Review and Approve/Ratify Payment of Claims:** Ms. Alex presented claims to be ratified. Director Watterson moved to ratify the claims as presented. Upon second by Director Bush, a vote was taken, and the motion carried unanimously.

b. **Review Financial Statements:** Ms. Alex reviewed the Cash Position and unaudited financial statements. Director Watterson moved to accept the unaudited financial statements as presented, upon second by Director Bush, a vote was taken, and the motion carried unanimously.

c. **Conduct Public Hearings:** Mr. Meggers reported that the proper publication had been made to allow the Board to conduct the public hearing. The public hearing was opened, there being no public in attendance, nor public comments received by Community Resource Services of Colorado or by legal counsel, the public hearing was closed.

   -Consider Approval of the 2025 Amended Budget and Consider Approval of the Resolution to Amend the Budget: Mr. Meggers and Ms. Alex reviewed the amended budget. The 2025 budget is being amended due to advance payment received. Director Watterson motioned to approve the amended budget as presented. Upon second by Director Bush, a vote was taken, and the motion carried unanimously.

   -Consider the Proposed 2026 Budget and Consider Adoption of the Budget Resolution: Mr. Megger and Ms. Alex presented the proposed budget. Director Bush requested increase in the developer advance. After discussion Director Watterson motioned to approve the 2026 Budget subject to the requested changes, certify the mill levies at 55.00 mills and appropriate 2026 expenditures. Upon second by Director Bush, a vote was taken, and the motion carried unanimously.

1. discussion, it was determined that it is not wise to raise the cover to evaluate the contents below. Rather, the Board asked Ms. Dorey to obtain quotes to have the cover sandblasted and painted, helping ensure more longevity.

OTHER BUSINESS

There was none.

ADJOURNMENT

Director Watterson moved to adjourn the meeting, upon a second by Director Bush, a vote was taken, and the motion carried unanimously.

Respectfully submitted,

____

Secretary for the Meeting

BLUE LAKE METROPOLITAN DISTRICT NO. 1
Weld County, Colorado

FINANCIAL STATEMENTS

With Independent Auditors' Report

December 31, 2025

TABLE OF CONTENTS

BASIC FINANCIAL STATEMENTS

BLUE LAKE METROPOLITAN DISTRICT NO. 1
STATEMENT OF NET POSITION (DEFICIT)
December 31, 2025

	Governmental Activities
ASSETS	
Cash and investments - unrestricted	$ 474,603
Cash and investments - restricted	42,000
Property taxes receivable	162,009
Prepaid expenses	2,774
Capital assets, not being depreciated	172,264
Capital assets, being depreciated	10,630
Total assets	864,280
LIABILITIES	
Accounts payable	8,220
Noncurrent liabilities:	
Due in more than one year	918,037
Accrued interest payable - developer advances	8,627
Total liabilities	934,884
DEFERRED INFLOWS OF RESOURCES	
Deferred property tax revenue	162,009
Total deferred inflows of resources	162,009
NET POSITION	
Net investment in capital assets	182,894
Restricted for:	
Emergency reserves	42,000
Unrestricted	(457,507)
Total net position (deficit)	$ (232,613)

These financial statements should be read only in connection with the accompanying notes to financial statements.

BLUE LAKE METROPOLITAN DISTRICT NO. 1
STATEMENT OF ACTIVITIES
Year Ended December 31, 2025

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**
Primary government:					
Governmental activities:					
General government	$ 136,708	$ -	$ -	$ -	$ (136,708)
Interest and expenses on long-term debt	93,852	-	-	-	(93,852)
	$ 230,560	$ -	$ -	$ -	(230,560)
General revenues:					
Property taxes					480,434
Specific ownership taxes					11,115
Interest					37,925
Total general revenues					529,474
Change in net position					298,914
Net position beginning - as restated					(531,527)
Net position - ending					$ (232,613)

These financial statements should be read only in connection with
the accompanying notes to financial statements.

BLUE LAKE METROPOLITAN DISTRICT NO. 1
BALANCE SHEET
GOVERNMENTAL FUND
Year Ended December 31, 2025

		General Fund
ASSETS		
Cash and investments - unrestricted	$	474,603
Cash and investments - restricted		42,000
Property taxes receivable		162,009
Prepaid expenditures		2,774
Total assets	$	681,386
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
LIABILITIES		
Accounts payable	$	8,220
Total liabilities		8,220
DEFERRED INFLOWS OF RESOURCES		
Deferred property tax revenue		162,009
Total deferred inflows of resources		162,009
FUND BALANCES		
Nonspendable:		
Prepaid expenditures		2,774
Restricted:		
Emergency reserves		42,000
Unassigned		466,383
Total fund balances		511,157
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$	681,386

Governmental fund balance	$	511,157
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		182,894
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds		
Long-term obligations		(918,037)
Accrued interest on long-term obligations		(8,627)
Net position of governmental activities	$	(232,613)

These financial statements should be read only in connection with the accompanying notes to financial statements.

BLUE LAKE METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
GOVERNMENTAL FUND
Year Ended December 31, 2025

	General Fund
REVENUES	
Property taxes	$ 480,434
Specific ownership taxes	11,115
Interest	37,925
Total revenues	529,474
EXPENDITURES	
General	
County treasurer fees	4,116
Developer advance repayment - principal	565,408
Developer advance repayment - interest	634,592
District management and accounting	18,931
Dues and subscriptions	2,026
Insurance and bonds	2,771
Legal	15,689
Miscellaneous	12,525
Repairs and maintenance	79,469
Capital outlay	
Consulting	64,065
Total expenditures	1,399,592
NET CHANGE IN FUND BALANCE	(870,118)
FUND BALANCE - BEGINNING OF YEAR	1,381,275
FUND BALANCE - END OF YEAR	$ 511,157

These financial statements should be read only in connection with the accompanying notes to financial statements

BLUE LAKE METROPOLITAN DISTRICT NO. 1
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE OF THE GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2025

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balance - Total governmental fund	$ (870,118)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The net effect of these differences in the treatment of long-term debt is as follows:	
Repayment of developer advances - principal	565,408
Repayment of developer advances - accrued interest	634,592
Governmental funds report capital outlays as expenditures. In the Statement of Activities capital outlay and depreciation is not reported as an expenditure. This amount represents net capital outlay for the current period:	
Capital outlay	64,065
Depreciation	(1,181)
Some expenses reported in the Statement of Activities do not require the use of financial resources and, therefore, are not reported as expenditures in governmental funds:	
Net change in accrued interest on long-term liabilities	(93,852)
Change in net position of governmental activities	$ 298,914

These financial statements should be read only in connection with the accompanying notes to financial statements.

BLUE LAKE METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2025

	Budget Amounts Original	Budget Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	$ 274,372	$ 480,434	$ 480,434	$ -
Specific ownership taxes	16,462	16,462	11,115	(5,347)
Interest	20,000	25,000	37,925	12,925
Total revenues	310,834	521,896	529,474	7,578
EXPENDITURES				
General				
Audit	13,500	-	-	-
County treasurer fees	4,116	4,116	4,116	-
Developer advance repayment - principal	750,000	1,206,500	565,408	641,092
Developer advance repayment - interest	-	-	634,592	(634,592)
District management and accounting	34,000	20,000	18,931	1,069
Dues and subscriptions	925	2,026	2,026	-
Insurance and bonds	2,771	2,771	2,771	-
Legal	15,000	15,000	15,689	(689)
Miscellaneous	1,000	1,000	12,525	(11,525)
Repairs and maintenance	-	-	79,469	(79,469)
Emergency reserve	24,700	24,000	-	24,000
Capital outlay				
Consulting	300,000	300,000	64,065	235,935
Public improvements	100,000	-	-	-
Total expenditures	1,246,012	1,575,413	1,399,592	175,821
EXCESS OF REVENUES OVER EXPENDITURES	(935,178)	(1,053,517)	(870,118)	183,399
NET CHANGE IN FUND BALANCE	(935,178)	(1,053,517)	(870,118)	183,399
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	1,474,087	1,381,275	1,381,275	-
FUND BALANCE - END OF YEAR	$ 538,909	$ 327,758	$ 511,157	$ 183,399

These financial statements should be read only in connection with the accompanying notes to financial statements.

NOTE 1 - DEFINITION OF REPORTING ENTITY

Blue Lake Metropolitan District No. 1 (the District), a quasi-municipal corporation and political subdivision of the State of Colorado was organized on May 4, 2004 and is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Weld County, Colorado, entirely within the Town of Lochbuie (Town).

The District was formed in conjunction with two other metropolitan districts, Blue Lake Metropolitan District No. 2 (District 2) and Blue Lake Metropolitan District No. 3 (District 3). The purpose of the District is to finance, construct and install public improvements, including streets and traffic signals, and water, sewer, storm drainage and park, open space and recreation facilities for the Blue Lake Development. Public improvements and facilities constructed or acquired by the District may be owned and maintained by one or more of the Districts, or may be dedicated for ownership and maintenance to the Town of Lochbuie, Colorado, or to other non-profit or governmental entities for the use and benefit of the Blue Lake Development residents and taxpayers.

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the District are described as follows:

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 taxes and intergovernmental revenues.

The statement of net position reports all financial and capital resources of the District. The difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources is reported as net position.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation is computed and recorded as an operating expense. Expenditures for property and equipment are shown as increases in assets and redemption of bonds, notes, and developer advances are recorded as a reduction in liabilities.

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 government 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. Expenditures, other than interest on long-term obligations are recorded when the liability is incurred or the long-term obligation paid. All other revenue items are considered to be measurable and available only when cash is received by the District.

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

Budgets

In accordance with the State Budget Law, the District's board of directors 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 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pooled Cash and Investments

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 single account. 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. Investments are carried at fair value.

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 due by April 30 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.

Additional property taxes of $206,060 were received in April from a Legislative Adjustment. This adjustment caused the tax collected to be 175%.

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 inflows of resources related to property tax revenues are recorded as revenue in the year they are available or collected.

Capital Assets

Capital assets, which include property, plant and equipment and infrastructure assets (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 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.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports 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 and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The District has no items that qualify for reporting in this category.

In addition to liabilities, the statement of net position reports 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 and so will not be

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, deferred property tax revenue, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Fund Balances – Governmental Funds

The District's governmental fund balances may consist of five classifications based on the relative strength of the spending constraints:

Nonspendable fund balance – the amount of fund balance that is not in spendable form (such as inventory or prepaids) or is legally or contractually required to be maintained intact.

Restricted fund balance – the amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions or by enabling legislation.

Committed fund balance – amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e. board of directors). To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest level of action to remove or change the constraint.

Assigned fund balance – 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 District board of directors delegates the authority.

Unassigned fund balance – amounts that are available for any purpose.

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

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results differ from those estimates.

NOTE 3 - CASH AND INVESTMENTS

Cash and investments as of December 31, 2025 are classified in the accompanying statement of net position as follows:

Statement of net position:	
Cash and investments - unrestricted	$ 474,603
Cash and investments – restricted	42,000
Total cash and investments	$ 516,603

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

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

Deposits with financial institutions	$ 516,603
Total cash and investments	$ 516,603

Cash Deposits

The Colorado Public Deposit Protection Act (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. 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.

At December 31, 2025, the District's cash deposits had a bank balance of $518,859 and carrying balance of $516,603.

NOTE 4 – CAPITAL ASSETS

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

Governmental Activities	Balance at December 31, 2024 (Restated)	Increases	Decreases	Balance at December 31, 2025
Capital assets, not being depreciated:				
Engineering and design costs	$ 88,199	$ 64,065	$ -	$ 152,264
Easement	20,000	-	-	20,000
Total capital assets, not being depreciated	$ 108,199	$ 64,065	$ -	$ 172,264
Capital assets, being depreciated				
Fencing	17,717	-	-	17,717
Total capital assets, being depreciated	$ 17,717	$ -	$ -	17,717
Less accumulated depreciation for:				
Fencing	(5,906)	(1,181)	-	(7,087)
Total accumulated depreciation	$ (5,906)	$ (1,181)	$ -	(7,087)
Total capital assets being depreciated, net	11,811	(1,181)	-	10,630
			Less outstanding capital debt	-
			Net investment in capital assets	$ 182,894

NOTE 5 - LONG-TERM OBLIGATIONS

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

	Balance at December 31, 2024	Additions	Payments	Balance at December 31, 2025	Due Within One Year
Other obligations:					
Developer advances	$ 1,483,445	$ -	$ 565,408	$ 918,037	$ -
Accrued interest on developer advances	549,367	93,852	634,592	8,627	-
	$ 2,032,812	$ 93,852	$ 1,200,000	$ 926,664	$ -

Developer Advances

Intergovernmental Agreement Regarding Debt Allocation Between and Among Blue Lake Metropolitan District Nos. 1-3.

The District and District 2 and 3 entered into an Intergovernmental Agreement Regarding Debt Allocation Between and Among Blue Lake Metropolitan District Nos. 1-3 (Debt Allocation IGA), dated April 2, 2015 for the purpose of setting forth the debt allocations of the District and District 2 and 3. The Debt Allocation IGA allocates $3,700,000 of the debt limitation to District 3 and the remaining $20,300,000 to the District and District 2. The Debt Allocation IGA further provides that the District and District 2 may further allocate the $20,300,000 allocation between and amongst themselves in any manner that the respective boards of the Districts may agree upon, all in conformance with applicable law.

First Amendment to Intergovernmental Agreement Regarding Debt Allocation Between and Among Blue Lake Metropolitan District Nos. 1-3.

The District and District 2 and 3 entered into an Intergovernmental Agreement Regarding Debt Allocation Between and Among Blue Lake Metropolitan District Nos. 1-3 (Debt Allocation IGA), dated April 2, 2015 for the purpose of setting forth the debt allocations of the District and District 2 and 3. The first amendment, dated February 23, 2018, to the Debt Allocation IGA reallocates from $3,700,000 to an increased $7,100,000 of the debt limitation to District 3 and the remaining $16,900,000 to the District and District 2. The Debt Allocation IGA further provides that the District and District 2 may further allocate the $16,900,000 allocation between and amongst themselves in any manner that the respective boards of the Districts may agree upon, all in conformance with applicable law.

Advance and Reimbursement Agreements by and Between Blue Lake Metropolitan Districts No. 1, 2 and 3 and Lochbuie Land I, L.L.C.

The District, District 2 and District 3 each entered into Advance and Reimbursement Agreements with Lochbuie Land I, L.L.C. (Lochbuie Land I) on June 29, 2004 (Advance and Reimbursement Agreements) to establish the terms and conditions pursuant to which Lochbuie Land I would make advances to the Districts and the Districts would reimburse Lochbuie Land I for the advances. Under the Advance and Reimbursement Agreements, the Districts are required to reimburse Lochbuie Land I for advances with interest at a rate of seven percent (7%) per annum. Payments made by the Districts are subject to annual appropriation and budget approval

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

and are not to be made from funds otherwise required for operations, capital improvements and debt service costs and expenses of the Districts. Amounts payable under the Advance and Reimbursement Agreements are subordinate to any bonded indebtedness of the Districts.

Partial Assignment of Advance and Reimbursement Agreement by and Between Blue Lake Metropolitan District No. 1, Blue Lake Metropolitan District No. 2 and Lochbuie Land I, L.L.C.

On December 8, 2022, the District, District 2 and Lochbuie Land I entered into a Partial Assignment of Advance and Reimbursement Agreement (Partial Assignment) to establish the terms and conditions under which District 2 would assign a portion of its obligations under the Advance and Reimbursement Agreement to the District.

Authorized Debt

The following table depicts the borrowing authority authorized by the District's voters at the 2004 District Election, the 2015 Intergovernmental Agreement Regarding Debt Allocation Between and Among Blue Lake Metropolitan District Nos. 1-3, and the amount remaining as of December 31, 2023, after application of debt issued by the District. The remaining balance is shared with District 2 and may be re-allocated in the future as noted above.

	Total Authorized	Remaining at December 31, 2025
Streets and improvements	$ 7,680,000	$ 6,541,107
Water system	6,240,000	5,480,800
Sanitary sewer system	5,760,000	4,650,400
Parks and recreation	4,320,000	4,320,000
Refunding	24,000,000	20,608,665
	$ 48,000,000	$ 41,600,972

NOTE 6 - FUND EQUITY

At December 31, 2025, the District reported the following classification of fund equity.

Nonspendable Fund Balance

The nonspendable fund balance in the General Fund in the amount of $2,774 represents prepaid expenditures for the ensuing fiscal year and is therefore not in a spendable form.

Restricted Fund Balance

The restricted fund balance in the General Fund in the amount of $42,000 is comprised of the Emergency Reserves that have been provided for as required by Article X, Section 20 of the Constitution of the State of Colorado.

NOTE 7 - NET POSITION

The District's net position consists of three components – net investment in capital assets, restricted and unrestricted. 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 or resources related to those assets. As of December 31, 2025, the District had a net investment in capital assets of $182,894.

The restricted portion of the net position includes amounts that are restricted for use either externally by creditors, grantors, contributors, or laws and regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. The District's restricted net position at December 31, 2025 is as follows:

	Governmental Activities
Restricted net position:	
TABOR emergency reserve (Note 10)	$ 42,000

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.

NOTE 8 - RELATED PARTIES

All of the members of the board of directors of the District are employees, owners or otherwise associated with Lochbuie Land I and may have conflicts of interest in dealing with the District. The District entered into an Advance and Reimbursement Agreement dated June 29, 2004 with Lochbuie Land I (see Note 5). Specific details of transactions with Lochbuie Land I regarding organization, advances and debt are described elsewhere in these notes.

NOTE 9 - RISK MANAGEMENT

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

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool). 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. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property, public officials' liability and workers compensation coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

NOTE 10 - TAX, SPENDING AND DEBT LIMITATIONS (CONTINUED)

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.

On May 4, 2004, a majority of the District's electors authorized the District to collect, retain and spend any and all amounts annually from any revenue sources whatsoever, other than ad valorem taxes, as a voter-approved revenue change without regard to any spending, revenue-raising or other limitation contained within Article X, Section 20 of the Colorado Constitution and without limiting in any year the amount of other revenues that may be collected and spent by the District.

NOTE 11 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 27, 2026, and no material events were identified requiring disclosure.

NOTE 12 – RESTATEMENT OF BEGINNING BALANCES

During the fiscal year ended December 31, 2025, management identified capital assets recorded by the District that had been conveyed to another government entity in prior years. In addition, construction in progress of $11,811 was placed into service but not transferred to depreciable capital assets. Therefore construction in progress was overstated by $964,835 and depreciation expense was understated by $11,811.

	Reporting Unit Affected by Adjustments to and Restatements of Beginning Balances
12/31/2024, as previously reported	$ 421,497
Error correction	(953,024)
12/31/2024, as restated	$ (531,527)

This information is an integral part of the accompanying financial statements.

OTHER INFORMATION

BLUE LAKE METROPOLITAN DISTRICT NO. 1
SCHEDULE OF ASSESSED VALUATION,
MILL LEVY AND PROPERTY TAXES COLLECTED
December 31, 2025

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied	Total Property Taxes Levied	Total Property Taxes Collected	Percentage Collected to Levied
2005	$ 10	15.000	$ -	$ -	100.00%
2006	$ 10	15.000	$ -	$ -	100.00%
2007	$ 10	15.000	$ -	$ -	100.00%
2008	$ 10	45.000	$ -	$ -	100.00%
2009	$ 10	45.000	$ -	$ -	100.00%
2010	$ 10	45.000	$ -	$ -	100.00%
2011	$ 90	45.000	$ 4	$ 4	100.00%
2012	$ 150	50.000	$ 8	$ 8	100.00%
2013	$ 190	50.000	$ 10	$ 10	100.00%
2014	$ 190	50.000	$ 10	$ 10	100.00%
2015	$ 10	50.000	$ 1	$ 1	100.00%
2016	$ 220	50.000	$ 11	$ 11	100.00%
2017	$ 220	50.000	$ 11	$ 11	100.00%
2018	$ 37,780	50.000	$ 1,889	$ 1,889	100.00%
2019	$ 27,330	50.000	$ 1,367	$ 1,367	100.00%
2020	$ 235,100	50.000	$ 11,755	$ 11,755	100.00%
2021	$ 258,220	50.000	$ 12,911	$ 12,911	100.00%
2022	$ 3,401,430	50.000	$ 170,072	$ 170,072	100.00%
2023	$21,624,120	55.000	$ 1,189,327	$ 1,189,327	100.00%
2024	$10,242,240	55.000	$ 563,323	$ 563,323	100.00%
2025	$ 4,988,590	55.000	$ 274,372	$ 480,434	175.00%
Estimated for the year ending December 31, 2026	$ 2,949,080	55.000	$ 162,199		

NOTE:
Property taxes collected in any one year include collection of delinquent property taxes assessed in prior years, as well as reductions for property tax refunds or abatements. Information received from the County Treasurer does not permit identification of specific year of assessment.

Blue Lake Metropolitan District No1

Claims Listing

October 30, 2025-July 24, 2026

ACCOUNT NAME	TRANSACTION DATE	TRANSACTION TYPE	NUM	AMOUNT
CEGR Law				
1002 Checking - MidWestOne	10/31/2025	Check	01361	-2,368.68
1002 Checking - MidWestOne	11/25/2025	Check	01368	-4,310.50
1002 Checking - MidWestOne	12/29/2025	Check	01371	-1,112.00
1002 Checking - MidWestOne	01/30/2026	Check	01374	-57.00
1002 Checking - MidWestOne	02/27/2026	Check	01380	-177.00
1002 Checking - MidWestOne	03/27/2026	Check	01384	-306.50
Total for CEGR Law				**-$8,331.68**
Civil Resources LLC				
1002 Checking - MidWestOne	10/31/2025	Check	01362	-2,064.00
1002 Checking - MidWestOne	01/30/2026	Check	01375	-1,754.00
Total for Civil Resources LLC				**-$3,818.00**
Colorado Community Media				
1002 Checking - MidWestOne	01/30/2026	Check	01376	-20.92
Total for Colorado Community Media				**-$20.92**
Colorado Special Districts Property and Liability Pool				
1002 Checking - MidWestOne	10/31/2025	Check	01363	-2,079.00
Total for Colorado Special Districts Property and Liability Pool				**-$2,079.00**
Community Resource Services of Colorado				
1002 Checking - MidWestOne	10/31/2025	Check	01364	-2,041.25
1002 Checking - MidWestOne	11/25/2025	Check	01369	-3,583.50
1002 Checking - MidWestOne	12/29/2025	Check	01372	-894.00
1002 Checking - MidWestOne	01/30/2026	Check	01377	-1,215.00
1002 Checking - MidWestOne	02/27/2026	Check	01381	-1,244.38
1002 Checking - MidWestOne	03/27/2026	Check	01385	-1,468.48
1002 Checking - MidWestOne	04/29/2026	Bill Payment (Check)	1387	-623.75
1002 Checking - MidWestOne	05/27/2026	Bill Payment (Check)	1390	-2,157.50
1002 Checking - MidWestOne	06/26/2026	Bill Payment (Check)	1394	-131.00
Total for Community Resource Services of Colorado				**-$13,358.86**
Foster Consulting				
1002 Checking - MidWestOne	10/31/2025	Check	01365	-3,498.00
1002 Checking - MidWestOne	11/25/2025	Check	01370	-4,590.00
1002 Checking - MidWestOne	12/29/2025	Check	01373	-3,672.00
1002 Checking - MidWestOne	01/30/2026	Check	01378	-2,772.00
1002 Checking - MidWestOne	02/27/2026	Check	01382	-2,292.00
1002 Checking - MidWestOne	03/27/2026	Check	01386	-2,916.00
1002 Checking - MidWestOne	04/29/2026	Bill Payment (Check)	1388	-1,998.00
1002 Checking - MidWestOne	05/27/2026	Bill Payment (Check)	1391	-2,286.00
1002 Checking - MidWestOne	06/26/2026	Bill Payment (Check)	1395	-1,272.00
Total for Foster Consulting				**-$25,296.00**
Haynie & Company				
1002 Checking - MidWestOne	05/27/2026	Bill Payment (Check)	1392	-4,250.00

Blue Lake Metropolitan District No1

Claims Listing

October 30, 2025-July 24, 2026

ACCOUNT NAME	TRANSACTION DATE	TRANSACTION TYPE	NUM	AMOUNT
1002 Checking - MidWestOne	06/26/2026	Bill Payment (Check)	1393	-2,125.00
Total for Haynie & Company				**-$6,375.00**
Highstreet				
1002 Checking - MidWestOne	10/31/2025	Check	01366	-695.00
Total for Highstreet				**-$695.00**
LJA Engineering Inc				
1002 Checking - MidWestOne	04/29/2026	Bill Payment (Check)	EFT	-60.87
Total for LJA Engineering Inc				**-$60.87**
Special District Association of Colorado				
1002 Checking - MidWestOne	01/30/2026	Check	01379	-642.07
Total for Special District Association of Colorado				**-$642.07**
Streamline				
1002 Checking - MidWestOne	02/27/2026	Check	01383	-1,188.00
Total for Streamline				**-$1,188.00**
WestWater Research LLC				
1002 Checking - MidWestOne	10/31/2025	Check	EFT000000000019	-1,456.17
1002 Checking - MidWestOne	11/25/2025	Check	EFT000000000020	-1,522.50
1002 Checking - MidWestOne	12/29/2025	Check	EFT000000000021	-4,762.50
1002 Checking - MidWestOne	03/27/2026	Check	EFT000000000022	-11,843.16
1002 Checking - MidWestOne	04/29/2026	Bill Payment (Check)	EFT	-4,139.97
1002 Checking - MidWestOne	06/04/2026	Bill Payment (Check)	EFT	-945.00
Total for WestWater Research LLC				**-$24,669.30**
TOTAL				**-$86,534.70**

BLUE LAKE METROPOLITAN DISTRICT NO. 1
CASH POSITION STATEMENT
FOR THE SIX MONTHS ENDED JUNE 30, 2026

Account Activity Item Description	MidWestOne Bank Checking	MidWest One MMA Account	TOTAL ALL ACCOUNTS
BEGINNING BALANCE PER BANK	$642	$515,961	$516,603
YTD credits - Total deposits, wires and transfers	199,594	161,891	361,485
YTD debits - Total vouchers, wires and transfers	(197,114)	(112,000)	(309,114)
YTD bank balance	3,122	565,852	568,974
Less outstanding checks	(8,546)	-	(8,546)
YTD book balance (agrees to page 2)	(5,424)	565,852	560,428
CURRENT MONTH ACTIVITY			
Deposit - taxes, net	943	-	943
Payables, wires and transfers	-	-	-
Adjusted cash balance	**-$4,481**	**$565,852**	**$561,371**

Budget vs. Actuals: 2026

January 1-June 30, 2026

	Total			
	Actual	Budget	Over budget by	Percent of budget
Income				
Property Tax	161,835.95	162,199.00	-363.05	99.78%
Specific Ownership Tax	3,184.84	9,732.00	-6,547.16	32.73%
Total for Income	**$165,020.79**	**$171,931.00**	**-$6,910.21**	**95.98%**
Cost of Goods Sold				
Gross Profit	**$165,020.79**	**$171,931.00**	**-$6,910.21**	**95.98%**
Expenses				
Audit	6,375.00	13,500.00	-7,125.00	47.22%
District Management & Accounting	6,840.11	34,000.00	-27,159.89	20.12%
Dues and Subscriptions	642.07	2,500.00	-1,857.93	25.68%
Treasurer Fees	2,427.55	2,433.00	-5.45	99.78%
Legal	561.42	15,000.00	-14,438.58	3.74%
Consulting	32,279.00		32,279.00	
Miscellaneous	1,188.00	1,000.00	188.00	118.80%
Developer Advance - Repayment	75,000.00	400,000.00	-325,000.00	18.75%
Insurance		3,000.00	-3,000.00	0.00%
Repairs and maintenance		6,500.00	-6,500.00	0.00%
Emergency reserve		14,200.00	-14,200.00	0.00%
Total for Expenses	**$125,313.15**	**$492,133.00**	**-$366,819.85**	**25.46%**
Net Operating Income	**$39,707.64**	**-$320,202.00**	**$359,909.64**	**-12.40%**
Other Income				
Interest Income	6,891.49	20,000.00	-13,108.51	34.46%
Total for Other Income	**$6,891.49**	**$20,000.00**	**-$13,108.51**	**34.46%**
Net Other Income	**$6,891.49**	**$20,000.00**	**-$13,108.51**	**34.46%**
Net Income	**$46,599.13**	**-$300,202.00**	**$346,801.13**	**-15.52%**

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Budget vs. Actuals: 2026

January 1-June 30, 2026

	Total			
	Actual	Budget	Over budget by	Percent of budget
Income				
Property Tax	161,835.95	162,199.00	-363.05	99.78%
Specific Ownership Tax	3,184.84	9,732.00	-6,547.16	32.73%
Total for Income	**$165,020.79**	**$171,931.00**	**-$6,910.21**	**95.98%**
Cost of Goods Sold				
Gross Profit	**$165,020.79**	**$171,931.00**	**-$6,910.21**	**95.98%**
Expenses				
Audit	6,375.00	13,500.00	-7,125.00	47.22%
District Management & Accounting	6,840.11	34,000.00	-27,159.89	20.12%
Dues and Subscriptions	642.07	2,500.00	-1,857.93	25.68%
Treasurer Fees	2,427.55	2,433.00	-5.45	99.78%
Legal	561.42	15,000.00	-14,438.58	3.74%
Consulting	32,279.00		32,279.00	
Miscellaneous	1,188.00	1,000.00	188.00	118.80%
Developer Advance - Repayment	75,000.00	400,000.00	-325,000.00	18.75%
Insurance	2,774.00	3,000.00	-3,000.00	0.00%
Repairs and maintenance		6,500.00	-6,500.00	0.00%
Emergency reserve		14,200.00	-14,200.00	0.00%
Total for Expenses	**$128,087.15**	**$492,133.00**	**-$366,819.85**	**25.46%**
Net Operating Income	**$36,933.64**	**-$320,202.00**	**$359,909.64**	**-12.40%**
Other Income				
Interest Income	6,891.49	20,000.00	-13,108.51	34.46%
Total for Other Income	**$6,891.49**	**$20,000.00**	**-$13,108.51**	**34.46%**
Net Other Income	**$6,891.49**	**$20,000.00**	**-$13,108.51**	**34.46%**
Net Income	**$43,825.13**	**-$300,202.00**	**$346,801.13**	**-15.52%**
Beginning Balance	**$516,603.31**			
Ending Balance	**$560,428.44**			

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BLUE LAKE METROPOLITAN DISTRICT NO. 1

RESOLUTION DESIGNATING LOCATION TO POST NOTICE

WHEREAS, pursuant to §§24-6-402(2)(c) and 32-1-903(2) C.R.S., notice and, where possible, the agenda of the Blue Lake Metropolitan District No. 1 (the "**District**") Board of Directors (the "**Board**") meetings at which the adoption of any formal action is to occur or at which a majority or quorum of the body is in attendance, or is expected to be in attendance, shall be posted within the boundaries of the District at least 24 hours prior to each meeting at a location designated at the first regular meeting of each year.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Blue Lake Metropolitan District No. 1 as follows:

Notices of meetings (regular, special and work/study session) of the Board required pursuant to §24-6-401, *et seq.*, C.R.S., shall be posted at least 24 hours prior to each meeting at:

http://bluelakemd1.com

In the event of an exigent or emergency circumstance such as a power outage or an interruption in internet service, the District will post notice of public meetings at least 24 hours prior to a meeting at the following physical location within the District at the northwest corner of the intersection of Frances Steele Boulevard (County Road 37) and Westin Avenue.

ADOPTED this 30th day of July, 2026.

BLUE LAKE METROPOLITAN DISTRICT NO. 1

By ________________________________
Mark Bush, Chair

ATTEST:

____
Charles Foster, Secretary

QUIT CLAIM DEED

THIS QUIT CLAIM DEED is made this _______ day of June 2026, between Lochbuie Land I, LLC, a Colorado limited liability company, whose legal address is 905 W. 124th Avenue, Suite 210, Westminster, Colorado 80234, hereinafter referred to as "Grantor", and Blue Lake Metropolitan District No. 1, a quasi-municipal corporation and political subdivision of the State of Colorado, whose address is 7995 E. Prentice Ave, Greenwood Village, Colorado 80111, hereinafter referred to as "Grantee".

WITNESSETH, that the Grantor, for and in consideration of the sum of One Dollar ($1.00), the receipt and sufficiency of which is hereby acknowledged, has remised, released, sold, conveyed and quit claimed, and by these presents does remise, release, sell, convey and quit claim unto the Grantee, its successors and assigns, forever, all the right, title, interest, claim and demand which the Grantor has in and to the real property, together with improvements, if any, situate, lying and being the in the County of Weld, State of Colorado, and more particularly described in **Exhibit A** attached hereto and incorporated here by reference.

EXCEPTING AND RESERVING, however, unto Grantor for itself, and its successors and assigns, all minerals and mineral rights, oil, gas and other hydrocarbons, and coal, gravel, and other mineral rights, royalties, lease or leasehold interests owned by Grantor and used or useful in connection with the Property;

AND FURTHER EXCEPTING AND RESERVING, unto Grantor for itself, and its successors and assigns, all water and water rights underlying the Property, whether tributary, non-tributary or not non-tributary, ditches or ditch rights, laterals and lateral rights, wells and well rights, lakes, reservoirs and reservoir rights and storage rights, used or in any way pertaining or appertaining to the Property.

TO HAVE AND TO HOLD, the same, together with all and singular the appurtenances and privileges thereunto belonging or in anywise thereunto appertaining, and all the estate, right, title, interest and claim whatsoever, of the Grantor, either in law or in equity, to the only proper use, benefit, and behoof of the Grantee, its successors and assigns forever.

IN WITNESS WHEREOF, Grantor has executed this Quit Claim Deed on the above date.

[Signature page follows.]

LOCHBUIE LAND I, LLC,
a Colorado limited liability company

By: Concord Partners, LLC, a Colorado limited liability company, its manager

By: Mark W. Bush
Mark W. Bush, Manager

STATE OF COLORADO)
)ss.
COUNTY OF ___________)

The foregoing instrument was acknowledged before me this ______ day of June, 2026, by Mark W. Bush, as manager of Concord Partners LLC, a Colorado limited liability company, as manager of Lochbuie Land I, LLC, a Colorado limited liability company.

Witness my hand and official seal.

____
Notary Public

My commission expires: _______________.

EXHIBIT A

LEGAL DESCRITION

Tract A
Tract B
Tract G
BLUE LAKE SUBDIVISION FILING NO. 2 (CORRECTED), recorded March 14, 2018 at Reception No. 4382826,County of Weld, State of Colorado