

CIELO METROPOLITAN DISTRICT

2025 ANNUAL REPORT

CIELO METROPOLITAN DISTRICT
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TO
DOUGLAS COUNTY BOARD OF COUNTY COMMISSIONERS

Pursuant to §32-1-207(3)(c) and the Service Plan for Cielo Metropolitan District (the “**District**”), the District is required to provide an annual report to Douglas County Board of County Commissioners (the “**County**”) with regard to the following matters.

For the year ending December 31, 2025, the District makes the following report:

§32-1-207(3) STATUTORY REQUIREMENTS

1. Boundary changes made

There were no boundary changes made to the District’s boundaries in 2025.

2. Intergovernmental Agreements entered into or terminated with other governmental entities.

The District did not enter into or terminate any Intergovernmental Agreements in 2025.

3. Access information to obtain a copy of rules and regulations adopted by the board.

The District adopted the Baseball Field Rules and Regulations dated August 5, 2024, a copy of which is attached hereto as **Exhibit A**.

4. A summary of litigation involving public improvements owned by the District.

To our actual knowledge, based on review of the court records in Douglas County, Colorado and the Public Access to Court Electronic Records (PACER), there is no litigation involving the District’s public improvements as of December 31, 2025.

5. The status of the construction of public improvements by the District.

As of December 31, 2025, the District had not constructed any Public Improvements. All public improvements for the development are being constructed by Toll Southwest LLC (“**Toll**”).

According to Toll, construction of the public improvements and regional improvements for Phase 1 of the development was completed in summer 2022, Phase 2 of the development was completed in February 2023, and Phase 3 of the development was completed in the spring of 2025.

6. A list of facilities or improvements constructed by the District that were conveyed or dedicated to the county or municipality.

The District did not construct any facilities or improvements dedicated to or accepted by the County in 2025.

7. The final assessed valuation of the District as of December 31st of the reporting year.

The District's 2025 final assessed valuation is attached hereto as **Exhibit B**.

8. A copy of the current year's budget.

A copy of the 2026 Budget is attached hereto as **Exhibit C**.

9. A copy of the audited financial statements, if required by the "Colorado Local Government Audit Law", part 6 of article 1 of title 29, or the application for exemption from audit, as applicable.

The 2025 Audit is attached hereto as **Exhibit D**.

10. Notice of any uncured defaults existing for more than ninety (90) days under any debt instrument of the District.

To our actual knowledge, the District did not receive notice of any uncured defaults existing for more than ninety (90) days under any Debt instrument of the District

11. Any inability of the District to pay its obligations as they come due under any obligation which continues beyond a ninety (90) day period.

To our actual knowledge, there was not any inability of the District to pay its obligations as they came due under any obligation which continued beyond a ninety (90) day period.

SERVICE PLAN REQUIREMENTS

1. District Description – General Information

a. Board Members, officers' titles, and terms

- ♦ Scott Fiske – President – May 2029
- ♦ Geoff Junt – Secretary – May 2029
- ♦ Kevin Ellis – Treasurer – May 2027
- ♦ Carol Storey – Director – May 2029
- ♦ Vacant – May 2027

b. Changes in Board memberships in past year

Directors Scott Fiske and Michael Mason-Nirk were deemed elected to the Board on May 6, 2025 and replaced Directors Jordan Honea and Chris Osler. Directors Geoff Junt, Kevin Ellis, and Carol Storey were appointed to the Board on January 13, 2026, April 14, 2026, and July 14, 2026, respectively, and replaced Directors Michael Mason-Nirk, Chad

Pazdernik, and Timothy Westbrook. Director Reginald Carveth resigned from the Board, leaving a Vacant seat for a term until May 2027.

c. Name and address for official District contact

Megan J. Murphy, Esq., Legal Counsel
WBA, P.C.
2154 E Commons Ave., Suite 2000, Centennial, CO
mmurphy@wbapc.com
303-858-1800

Carrie Bartow, District Accountant
CliftonLarsonAllen, LLP
8390 E Crescent Parkway, Suite 300, Greenwood Village, CO
Carrie.Bartow@claconnect.com
303-779-5710

Mariah Watkins, District Manager
Goodwin & Company
3151 S Vaugh Way, Suite 100, Aurora, CO 80014
Mariah.Watkins@goodwin-co.com
720-647-6645

d. Elections held in the past year and their purpose

There were no elections held in 2025. A Resolution Calling the May 6, 2025 Election was adopted on October 2, 2024. The election was cancelled, as there were not more candidates than vacant seats to be filled.

2. Boundary changes for the report year and proposed changes for the coming year

There were no boundary changes made or proposed to the District's boundary in 2025, and there are no proposed changes in the District's boundary for 2026.

3. List of intergovernmental agreements (existing or proposed) and a brief description of each detailing the financial and service arrangements

There were no Intergovernmental Agreements entered into or terminated in 2025.

a. Contracts for operations, debt, and other contractual obligations with sub- District or operating and taxing District

The District is a party to that certain Intergovernmental Agreement among the District, Denver Southeast Suburban Water and Sanitation District d/b/a Pinery Water and Wastewater District Acting by and through its Enterprise Fund, and the Parker Water and Sanitation District, dated December 13, 2018 (the "**Water IGA**"). Pursuant to the Water IGA, the District obtains wastewater treatment services from the Pinery Wastewater Treatment Plant.

The District is a party to that certain Agreement Regarding School Park Facilities Construction, Use, and Maintenance among the District, Forestar (USA) Real Estate Group Inc., and Douglas County School District, dated November 12, 2019 (the “**School Agreement**”). The School Agreement memorializes the parties understanding about the timing for the design, construction, ownership, operation, and maintenance of School Park Facilities as defined in the School Agreement. Forestar (USA) Real Estate Group Inc. assigned its interest in the School Agreement to the Forestar (USA) Real Estate Group Inc.

The District is a party to that certain Clubhouse Funding, Construction, and Operations Agreement, dated November 19, 2019, among the District, Stone Creek Metropolitan District, Choke Cherry Investors, LLC, and Forestar (USA) Real Estate Group Inc. (the “**Clubhouse Agreement**”). Pursuant to the Clubhouse Agreement, Choke Cherry Investors, LLC intends to construct and finance a public clubhouse, swimming pool, and related public improvements (collectively, the “Clubhouse Improvements”). Stone Creek Metropolitan District will reimburse Choke Cherry Investors, LLC for the costs related to construction of the Clubhouse Improvements. The District shall pay for 51% the costs related to operations and maintenance of the Clubhouse Improvements. On August 26, 2021, the District approved terminating the existing Clubhouse Funding, Construction and Operations Agreement, dated November 19, 2019. On August 26, 2021, the District approved the Clubhouse Join Use and Cost Sharing Agreement between the District and Stone Creek Metropolitan District. On August 26, 2021, the District approved the Clubhouse Construction Agreement between the District, Stone Creek Metropolitan District, Choke Cherry Investors, LLC, and Toll. The Stone Creek Metropolitan District approved copies of these agreements on August 25, 2021.

b. Reimbursement agreements with developers and/or builders for advances to fund capital costs and administrative/operational and maintenance costs of the District

The District is a party to that certain Funding and Reimbursement Agreement (Operations and Maintenance) dated January 30, 2020, as amended, with Toll (the “**Operations Agreement**”). Pursuant to the Operations Agreement, Toll agrees to advance funds to the District for operations and maintenance expenses, not to exceed the aggregate of \$50,000 per annum through December 31, 2024. Toll may agree to renew its obligations under the Operations Agreement by providing written notice to the District. The maximum amount to be advanced pursuant to the Operations Agreement is \$150,000.

The District is a party to that certain Infrastructure Acquisition and Reimbursement Agreement dated January 30, 2020 with Toll (the “**Infrastructure Agreement**”). Pursuant to the Infrastructure Agreement,

Toll agrees to incur costs related to the financing, construction and installation of public improvements and the District agrees to reimburse Toll for such costs and acquire certain improvements all subject to limitations contained in the Special District Act and the Service Plan.

4. Service Plan

a. List and description of services authorized in Service Plan

The District shall have the power and authority to provide the public improvements and related operation and maintenance services within and without the boundaries of the District as such power and authority is permitted by this Service Plan and described in the Special District Act, and other applicable statutes, common law, and the Colorado Constitution.

Pursuant to the District's service plan the district has the authority to provide the following services:

- installation of potable water and irrigation water facilities and systems
- finance, design, construct, acquire, install, maintain, and provide for flood and surface drainage improvements
- finance, design, construct, and install, sanitation and wastewater treatment facilities and systems
- finance, design, construct, acquire, install, maintain, and provide for systems and methods for elimination and control of mosquitos
- finance, design, construct, acquire, install, maintain, and provide for arterial and collector streets and roadway improvements
- finance, design, construct, acquire, install, maintain, and provide traffic safety and management services
- finance, design, construct, acquire, install, maintain, and provide for public park and public recreation centers and other recreation facilities, services, or programs
- provide covenant enforcement and design review services subject to the limitations set forth in C.R.S. § 32- 1-1004(8)

b. List and description of facilities authorized in Service Plan

See response to a. above.

c. List and description of any extraterritorial services, facilities, and agreements

The District is a party to the Clubhouse Agreement, as described in III(a) above.

5. Development Progress

- a. *Indicate the estimated year of build-out, as set forth in the Service Plan.*

The estimated year of build-out, as set forth in the Service Plan, is 2026.

- b. *List the services provided with the date service began compared to the date authorized by the Service Plan.*

The Service Plan authorizes the District to provide the following services or facilities:

Service Type	Services Began	SP Authorization
Water - PWSD	Actual 2022	2015
Storm Sewer	Actual 2022	2015
Sanitation and Wastewater Treatment - PWSD	Actual 2022	2015
Street Improvements	Actual 2022	2015
Traffic Safety Protection	Actual 2022	2015
Parks and Recreation	Actual 2022	2015
Mosquito Control	N/A	2015
Covenant Enforcement and Design Review; and	Actual 2022	2015
Fire Protection - SMFRA	Actual 2022	2015

- c. *List changes made to the Service Plan, including when the change was authorized, when it was implemented or is expected to be implemented.*

No changes were made to the Service Plan in 2025.

- d. *List facilities to be acquired or constructed or leased back as set forth in the Service Plan and compare the date of completion or operation with the date authorized by the Service Plan.*

Facility Type	Anticipated Date of Completion	Service Plan Authorization
Open Space/Park	2025	2015

- e. *List of facilities not completed. Indicate the reason for incompleteness and provide a revised schedule, if any.*

As of December 31, 2025, there are no facilities not completed.

- f. *List facilities currently under construction with the percentage complete and an anticipated date of completion.*

Facility Type	Percentage Complete Completion	Anticipated Date of Completion
Open Space/Park	100%	2024

- g. *Indicate the population of the District for the previous five (5) years and provide population projections for the next five (5) years.*

Construction on homes began in 2023. The current population as of the reporting date is 372.

Estimated home closings by year:

2023 - 100
 2024 - 100
 2025 - 100
 2026 - 43
 2027 - 0

Total of 343 at the end of 5 years.

The Service Plan estimates 2.5 persons per residence, which would translate to an estimated population of approximately 858 at the end of five years.

Estimated population by year pursuant to the Service Plan:

2022 - 133
 2023 - 350
 2024 - 568
 2025 - 783
 2026 - 858
 2027 - 858

- h. *List the planned number of housing units by type and the number of commercial and industrial properties with respective square footage and anticipated dates of completion/operation. Compare the completed units and completed commercial and industrial properties to the amount planned in the Service Plan.*

The total number of single-family homes expected to be constructed is 343. Home construction began in 2023 and is expected to be completed by 2026.

- i. *List any enterprises created by and/or operated by or on behalf of the District and summarize the purpose of each.*

No enterprises have been created by and or operated by or on behalf of the District.

6. Financial Plan and Financial Activities

- a. Provide a copy of the audit or exemption from the audit for the reporting year.*

A copy of the 2025 Audit is attached hereto as **Exhibit D**.

- b. Provide a copy of the budget, showing the reporting and previous years.*

A copy of the 2026 Budget is attached hereto as **Exhibit C**.

- c. Show revenues and expenditures of the District for the previous five (5) years and provide projections for the next five (5) years. Include any non-District or non-governmental financial support. Include and list individually all fees, rates, tolls, etc., with a summary of the purpose of each. Show other miscellaneous tax revenue, such as specific ownership taxes. For the same period, show actual and projected mill levies by purpose (showing mill levies for each individual general obligation, revenue-based obligation, or contractual obligation).*

See the attached tax history and revenue projection chart **Exhibit E**.

- d. List all debt that has been issued, including all individual issuances with a schedule of service until the debt is retired.*

The Limited Tax General Obligation Bonds, Series 2021 were issued on April 28, 2021, in the amount of \$17,942,000. The Bonds are “Cash Flow” obligations. No regularly scheduled payments of principal are due on the Bonds prior to their maturity date, and no debt service schedule is provided.

- e. List individually all authorized but unissued debt, including the purpose, ballot issue letter designation and election date, and amounts authorized and unissued.*

See the attached DLG-32 Form in **Exhibit F**.

- f. List the total amount of debt issued and outstanding as of the date of the annual report and compare to the maximum authorized debt level as set forth in the Service Plan.*

The Limited Tax General Obligation Bonds, Series 2021 were issued on April 28, 2021, in the amount of \$17,942,000. The service plan maximum debt authorized is \$25,000,000.

- g. Enterprises of the District.*

There are no enterprise operations to report.

- i. *Include revenues of the enterprise, showing both direct support from the District and all other sources*

N/A

- ii. *Include expenses of the enterprise, showing both direct payments to the District and all other obligations*

N/A

h. *Detail contractual obligations.*

- i. Describe the type of obligation, current year dollar amount, and any changes in the payment schedule, e.g. balloon payments.

See responses to Section III.

- ii. Report any inability of the District to pay current obligations that are due within the current budget year

None.

- iii. Describe any District financial obligations in default

None.

i. *Actual and Assessed Valuation History*

- i. Report the annual actual and assessed valuation for the current year and for each of the seven (7) years prior to current year

Tax Year	Certified Assessed Valuation	Annual Actual
2025	\$18,538,090.00	\$268,452,674.00
2024	\$12,646,180	\$132,089,087
2023	\$9,335,450	\$48,463,129
2022	\$4,884,110	\$17,560,492
2021	\$2,204,150	\$7,601,735
2020	\$2,201,830	\$7,582,317
2019	\$2,199,210	\$7,581,917
2018	\$3,580	\$12,348

- ii. For each year, compare the certified assessed value with the Service Plan estimate for that year. If Service Plan estimates are not available, indicate the same and report the certified value

Tax Year	Certified Assessed Valuation	Service Plan Estimate
2025	\$18,538,090.00	\$268,452,674.00
2024	\$12,646,180	\$4,314,486
2023	\$9,335,450	\$1,030,617
2022	\$4,884,110	\$0
2021	\$2,204,150	\$0
2020	\$2,201,830	\$0
2019	\$2,199,210	\$0
2018	\$3,580	\$0

j. Mill Levy History.

- i. Report the annual mill levy for the current year and for each of the seven (7) years prior to current year. Break the mill levies out by purpose (e.g., debt issuance and operations and maintenance)

Year	General Fund	Debt Service
2025 Mill Levy Certification for Collection in 2026	12.489	62.447
2024 Mill Levy Certification for Collection in 2025	11.951	59.759
2023 Mill Levy Certification for Collection in 2024	10.962	54.812
2022 Mill Levy Certification for Collection in 2023	10.000	50.000
2021 Mill Levy Certification for Collection in 2022	11.132	55.664

2020 Mill Levy Certification for Collection in 2021	66.797	0.000
2019 Mill Levy Certification for Collection in 2020	66.333	0.000
2018 Mill Levy Certification for Collection in 2019	66.333	0.000
2017 Mill Levy Certification for Collection in 2018	60.000	0.000

- ii. For each year, compare the actual mill levy with the Service Plan estimate for that year. If Service Plan estimates are not available, indicate the same and report the actual mill levies.

Certification	Total Actual	Service Plan Estimate
2025 Mill Levy Certification for Collection in 2026	74.936	60.000
2024 Mill Levy Certification for Collection in 2025	71.710	60.000
2023 Mill Levy Certification for Collection in 2024	65.774	60.000
2022 Mill Levy Certification for Collection in 2023	60.000	60.000
2021 Mill Levy Certification for Collection in 2022	66.796	60.000
2020 Mill Levy Certification for Collection in 2021	66.797	60.000
2019 Mill Levy Certification for Collection in 2020	66.333	60.000
2018 Mill Levy Certification for Collection in 2019	66.333	60.000
2017 Mill Levy Certification for Collection in 2018	60.000	60.000

k. Miscellaneous Taxes History.

- i. Report the annual miscellaneous tax revenue for the current year and for each of the seven (7) years prior to the current year. Break the tax revenue out by purpose (e.g., general operations, revenue- based obligations, debt by issue, contractual obligations, other)

See the attached tax history and revenue projection chart in **Exhibit E**.

- ii. For each year, compare the actual miscellaneous tax revenue with the Service Plan estimate for that year (if provided in Plan). If the Service Plan estimates are not available, indicate the same and report the actual taxes.

The service plan does not anticipate any miscellaneous tax revenue.

l. Estimated Assessed Valuation of District at 100% Build-Out.

- i. Provide an updated estimate and compare this with the Service Plan estimate.

Updated Estimate at 100% Build-Out: \$16,527,516

Service Plan Estimate: \$13,596,922

m. Estimated Amount of Additional General Obligation Debt to be Issued by the District between the End of Current Year and 100% Build-Out.

- i. Provide an updated estimate based on current events. Do not include refunding bonds.

Information regarding the issuance of additional general obligation debt is unknown at this time other than as estimated in the Service Plan.

EXHIBIT A

Rules and Regulations

**RESOLUTION
OF THE BOARD OF DIRECTORS OF THE
CIELO METROPOLITAN DISTRICT**

ADOPTING BASEBALL FIELD RULES AND REGULATIONS

WHEREAS, Cielo Metropolitan District (the “**District**”) is a quasi-municipal corporation and political subdivision of the State of Colorado, duly organized and existing pursuant to §§ 32-1-101, *et seq.*, C.R.S.;

WHEREAS, pursuant to § 32-1-1001(1)(h) C.R.S., the Board of Directors of the District (the “**Board**”) has the power over the management, control and supervision of all the business and affairs of the District and all construction, installation, operation, and maintenance of District improvements; and

WHEREAS, in order to manage the baseball field in a timely, efficient, and effective matter, the Board has developed and desires to adopt a baseball field reservation policy.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD AS FOLLOWS:

1. Adoption of Baseball Field Rules and Regulations. The District hereby adopts the Baseball Field Rules and Regulations set forth in **Exhibit A**, attached hereto and incorporated herein by this reference, as may be amended from time to time.

2. Severability. If any part, section, subsection, sentence, clause or phrase of this Resolution or the Baseball Field Rules and Regulations is for any reason held to be invalid, such invalidity shall not affect the validity of the remaining provisions.

[Signature page follows]

ADOPTED August 5th, 2024.

DISTRICT:

CIELO METROPOLITAN DISTRICT, a
quasi-municipal corporation and political
subdivision of the State of Colorado

By: *Chad Pazdernik*
Chad Pazdernik (Aug 14, 2024 14:54 MDT)
Officer of the District

Attest:

By: *Chris*
Chris Osler (Aug 15, 2024 15:56 MDT)

CIELO METROPLITAN DISTRICT

BASEBALL FIELD RULES AND REGULATIONS

Cielo Metropolitan District (the “**District**”) owns and operates a baseball field which is available to the public for drop-in and rental use.

Rules and Regulations

- No alcohol.
- No glass containers.
- No tobacco or smoking of any kind.
- Under Colorado state law (Colo. Const. Art. XVIII, Sec. 16(3)(d)), a person cannot consume/use marijuana “openly and publicly;” therefore a person cannot consume/use marijuana on any District property, and it is a criminal violation.
- Any unreasonably loud or unusual noise which seriously inconveniences other persons in the area shall be prohibited.
- No destruction or removal of District property.
- No littering or vandalism.
- No pets.
- No camping.
- No discharge of firearms, fireworks, rockets or other explosive devices.

Access to and Use of the Baseball Field

- Residents
 - All residents and property owners of property within the District (each a “**Resident**”) shall be entitled to use the baseball field on a first come first serve basis subject to permitted use as described below.
 - All persons claiming status as a Resident shall present proof of residency or property ownership to the District. The District may accept or reject any such proof of residency in its discretion.
- Non-Residents
 - All persons not residing or owning property within the District (each a “**Non-Resident**”) shall be entitled to use the baseball field on a first come first serve basis subject to permitted use as described below.
 - Charges for the use of the baseball field by Non-Residents shall be \$0.00 per use, as may be subsequently amended from time to time by the District. The District has determined that this fee reasonable estimates the annual property tax payments and other annual fees such Non-Residents would be responsible for if they were Residents.
 - All Non-Residents wishing to use the baseball field shall pay in full the applicable fees prior to being allowed access to the baseball field.

Rental Process

- Rental requests can be made by submitting an online, electronic Rental Request Form, found at app.townsq.io (if you are logged into TownSq) or via email to Mariah Watkins (Mariah.Watkins@goodwin-co.com).
- Once a Rental Request Form is received, renters will be contacted to finalize details, arrange appropriate payment and provide a rental permit for renters and a copy must be with them at their event.
- If the baseball field has been permitted, the permit holder has priority over other users.
- Drop in use is not available for any organized team events.

Rental Fees

- The Rental Request Form has the most current fees.
- User-Designations
 - Resident: proof of residency may be required.
 - Non-Resident: an individual living outside the boundaries of the District.

Rental Scheduling Windows

- The baseball field will be open for use from March 1 through October 31st of each year.
- A minimum of 1.5 hours is required per rental.

Reservation Priority

- Rental requests will be prioritized in the following manner:
 - Residents
 - Non-Residents
- The District reserves the right to limit reservations to renters depending upon demand.

General Hours of Operation

- The baseball field is open from 6 a.m. to 10 p.m. daily.
- The District reserves the right to close the baseball field as deemed necessary.
- It is unlawful to enter, use or occupy the baseball field between 10 p.m. and 6 a.m., except when such entry is authorized by the District in writing.
- It is unlawful to occupy the baseball field when it is closed.

Emergencies

- For emergencies contact the Douglas County Sheriff's Office at 911 or the non-emergency line 303-660-7505.
- The baseball field is located south of 6405 Estancia Blvd, Parker, CO 80134.

EXHIBIT B

2025 Final Assessed Valuation

New Tax Entity? ☐ YES ☐ NO

Douglas COUNTY ASSESSOR

Date 11/19/2025

NAME OF TAX ENTITY: Cielo Metro District

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATION ("5.5%" LIMIT) ONLY

IN ACCORDANCE WITH 39-5-121(2)(a) and 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2025 :

1.	PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION: ‡	1.	\$	12,646,180.00
2.	CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION:	2.	\$	18,538,090.00
3.	LESS TOTAL TIF AREA INCREMENTS, IF ANY:	3.	\$	0.00
4.	CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	4.	\$	18,538,090.00
5.	NEW CONSTRUCTION: *	5.	\$	6,416,020.00
6.	INCREASED PRODUCTION OF PRODUCING MINE: ≈	6.	\$	0.00
7.	ANNEXATIONS/INCLUSIONS:	7.	\$	0.00
8.	PREVIOUSLY EXEMPT FEDERAL PROPERTY: ≈	8.	\$	0.00
9.	NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(1)(b), C.R.S.):	9.	\$	0.00
10.	TAXES RECEIVED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1)(a), C.R.S.):	10.	\$	0.00
11.	TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a), C.R.S.) and (39-10-114(1)(a)(I)(B), C.R.S.):	11.	\$	33,801.98

‡ This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec. 20(8)(b), Colo. Constitution

* New Construction is defined as: Taxable real property structures and the personal property connected with the structure.

≈ Jurisdiction must submit to the Division of Local Government respective Certifications of Impact in order for the values to be treated as growth in the limit calculation; use Forms DLG 52 & 52A.

* Jurisdiction must apply to the Division of Local Government before the value can be treated as growth in the limit calculation; use Form DLG 52B.

USE FOR TABOR "LOCAL GROWTH" CALCULATION ONLY

IN ACCORDANCE WITH ART.X, SEC.20, COLO. CONSTUTION AND 39-5-121(2)(b), C.R.S., THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2025 :

1.	CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: ¶	1.	\$	267,565,329.00
ADDITIONS TO TAXABLE REAL PROPERTY				
2.	CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: *	2.	\$	102,656,220.00
3.	ANNEXATIONS/INCLUSIONS:	3.	\$	0.00
4.	INCREASED MINING PRODUCTION: §	4.	\$	0.00
5.	PREVIOUSLY EXEMPT PROPERTY:	5.	\$	0.00
6.	OIL OR GAS PRODUCTION FROM A NEW WELL:	6.	\$	0.00
7.	TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT: (If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.):	7.	\$	0.00
DELETIONS FROM TAXABLE REAL PROPERTY				
8.	DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	8.	\$	0.00
9.	DISCONNECTIONS/EXCLUSIONS:	9.	\$	0.00
10.	PREVIOUSLY TAXABLE PROPERTY:	10.	\$	0.00

¶ This includes the actual value of all taxable real property plus the actual value of religious, private school, and charitable real property.

* Construction is defined as newly constructed taxable real property structures.

§ Includes production from new mines and increases in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS: TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY:

\$ 0.00

IN ACCORDANCE WITH 39-5-128(1.5), C.R.S., THE ASSESSOR PROVIDES:

HB21-1312 ASSESSED VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): **

** The tax revenue lost due to this exempted value will be reimbursed to the tax entity by the County Treasurer in accordance with 39-3-119.5(3), C.R.S.

\$ 0.00

USE FOR STATUTORY PROPERTY TAX LIMIT CALCULATION ("5.25% LIMIT") 29-1-1703, C.R.S.

IN ACCORDANCE WITH §§ 39-5-121(2)(a) and 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2025 :

1.	CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION:	1.	\$	18,538,090.00
2.	LESS TOTAL TIF AREA INCREMENTS, IF ANY:	2.	\$	0.00
3.	CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	3.	\$	18,538,090.00
4.	NEW CONSTRUCTION:	4.	\$	6,416,020.00
5.	ANNEXATIONS/INCLUSIONS:	5.	\$	0.00
6.	PREVIOUSLY EXEMPT PROPERTY:	6.	\$	0.00
7.	TAXES RECEIVED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1)(a), C.R.S.): Includes all revenue collected on valuation not previously certified:	7.	\$	0.00
8.	INCREASED VALUATION FOR ASSESSMENT ATTRIBUTABLE TO A CHANGE IN LAW FOR A PROPERTY TAX CLASSIFICATION:	8.	\$	0.00
9.	TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a), C.R.S.) and (39-10-114(1)(a)(I)(B), C.R.S.):	9.	\$	33,801.98
10.	TOTAL PRODUCING MINES, OR PRIMARY OIL OR GAS PRODUCTION:	10.	\$	0.00
11.	REVENUE INCREASE FROM EXPIRED TIF:	11.	\$	0.00

Notes:

The property tax limit will apply to all property taxing entities with the exception of school districts, city and county, city, or town that has adopted a home rule charter (29-1-306(1)(b), C.R.S.). The revenue limit applies to any property taxing entities that have authority to exceed current 5.5% and the TABOR limit.

The Division of Local Government ("the Division") has developed technical assistance resources to assist taxing entities with the calculation of the property tax limit available online here (<https://dlg.colorado.gov/budget-information-and-resources>). Please understand that the Division has no statutory or administrative role in calculating or enforcing the property tax limit, and each taxing entity's revenue limits and voter approval history may be unique. The technical assistance resources provided by the Division with regard to the property tax limit are not definitive and not legal advice. Taxing entities may choose to calculate the property tax limit with a methodology that is different from the methodology presented in the Division's technical assistance resources. The Division always recommends that taxing entities consult with an attorney in order to understand and apply the various statutory and constitutional revenue limits that may apply to that taxing entity.

EXHIBIT C

2026 Budget

CIELO METROPOLITAN DISTRICT
ANNUAL BUDGET
FOR YEAR ENDING DECEMBER 31, 2026

**CIELO METROPOLITAN DISTRICT
SUMMARY
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

1/20/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ 104,096	\$ 171,512	\$ 210,623
REVENUES			
Property taxes	614,031	906,858	1,389,170
Specific ownership taxes	45,993	57,242	104,188
Interest Income	19,020	17,310	27,000
Developer advance	7,709,234	13,964	5,000,000
Transfer from Allison Ranch HOA	-	31,808	-
Other Revenue	4,788	981	7,528
Homeowner fees	189,000	436,100	529,935
Transfer fees	61,000	46,500	46,500
Late fees/penalties	3,402	1,000	1,000
Total revenues	8,646,468	1,511,763	7,105,321
TRANSFERS IN	39,493	25,228	25,000
Total funds available	8,790,057	1,708,503	7,340,944
EXPENDITURES			
General Fund	107,526	99,259	110,000
Debt Service Fund	566,977	818,087	1,272,000
Capital Projects Fund	7,748,687	11,264	5,025,000
Operation Fee Fund	155,862	544,042	581,000
Total expenditures	8,579,052	1,472,652	6,988,000
TRANSFERS OUT	39,493	25,228	25,000
Total expenditures and transfers out requiring appropriation	8,618,545	1,497,880	7,013,000
ENDING FUND BALANCES	\$ 171,512	\$ 210,623	\$ 327,944
EMERGENCY RESERVE	\$ 11,200	\$ 20,600	\$ 25,100
AVAILABLE FOR OPERATIONS	(40,653)	9,723	122,909
OPERATIONS RESERVE	198,303	180,300	179,935
TOTAL RESERVE	\$ 168,850	\$ 210,623	\$ 327,944

See Summary of Significant Assumptions

**CIELO METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

1/20/26

ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
----------------	-------------------	----------------

ASSESSED VALUATION

Residential	\$ 1,389,040	\$ 7,715,980	\$ 16,247,970
State assessed	500	500	900
Vacant land	7,736,690	4,721,200	2,049,520
Personal property	209,110	208,390	239,590
Natural Resources	110	110	110
Certified Assessed Value	<u>\$ 9,335,450</u>	<u>\$ 12,646,180</u>	<u>\$ 18,538,090</u>

MILL LEVY

General	10.962	11.951	12.489
Debt Service	54.812	59.759	62.447
Total mill levy	<u>65.774</u>	<u>71.710</u>	<u>74.936</u>

PROPERTY TAXES

General	\$ 102,335	\$ 151,135	\$ 231,522
Debt Service	511,696	755,723	1,157,648
Levied property taxes	<u>614,031</u>	<u>906,858</u>	<u>1,389,170</u>
Budgeted property taxes	<u>\$ 614,031</u>	<u>\$ 906,858</u>	<u>\$ 1,389,170</u>

BUDGETED PROPERTY TAXES

General	\$ 102,335	\$ 151,135	\$ 231,522
Debt Service	511,696	755,723	1,157,648
	<u>\$ 614,031</u>	<u>\$ 906,858</u>	<u>\$ 1,389,170</u>

**CIELO METROPOLITAN DISTRICT
GENERAL FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

1/20/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ (5,467)	\$ (37,153)	\$ 14,623
REVENUES			
Property taxes	102,335	151,135	231,522
Specific ownership taxes	7,665	9,540	17,364
Interest Income	2,490	1,624	2,000
Developer advance	-	13,964	-
Other Revenue	2,823	-	-
Total revenues	115,313	176,263	250,886
Total funds available	109,846	139,110	265,509
EXPENDITURES			
General and administrative			
Accounting	36,456	44,866	45,000
Auditing	5,650	6,000	7,600
County Treasurer's Fee	1,543	2,267	3,473
Dues and Membership	450	366	500
Insurance	1,295	7,170	8,000
Legal	59,601	35,290	40,000
Election	344	2,500	-
Website	600	800	1,000
Contingency	1,587	-	4,427
Total expenditures	107,526	99,259	110,000
TRANSFERS OUT			
Transfers to other fund	39,473	25,228	25,000
Total expenditures and transfers out requiring appropriation	146,999	124,487	135,000
ENDING FUND BALANCES	\$ (37,153)	\$ 14,623	\$ 130,509
EMERGENCY RESERVE	\$ 3,500	\$ 4,900	\$ 7,600
AVAILABLE FOR OPERATIONS	(40,653)	9,723	122,909
TOTAL RESERVE	\$ (37,153)	\$ 14,623	\$ 130,509

See Summary of Significant Assumptions

**CIELO METROPOLITAN DISTRICT
OPERATION FEE FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

1/20/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ 105,996	\$ 206,003	\$ 196,000
REVENUES			
Homeowner fees	189,000	436,100	529,935
Transfer fees	61,000	46,500	46,500
Transfer from Allison Ranch HOA	-	31,808	-
Interest Income	502	3,686	5,000
Late fees/penalties	3,402	1,000	1,000
Other Revenue	1,965	981	-
Total revenues	255,869	520,075	582,435
TRANSFERS IN			
Transfers from other funds	-	13,964	-
Total funds available	361,865	740,042	778,435
EXPENDITURES			
General and administrative			
District management	4,983	49,200	51,000
Legal	-	2,727	4,200
Miscellaneous	519	5,030	14,820
Operations and maintenance			
Landscaping	21,778	100,000	70,000
Underdrain maintenance	-	5,250	5,250
Retaining Wall	-	1,575	1,575
Snow removal	31,808	50,000	51,500
Repairs and maintenance	828	75,000	150,000
Social Events	-	5,000	10,000
Water	8,865	50,000	50,000
Electricity	-	2,500	3,000
Decorations	-	4,760	5,000
Transfer to SCMD - O&M	87,081	105,000	93,535
Transfer to SCMD - Capital	-	26,000	6,120
Trash collection	-	62,000	65,000
Total expenditures	155,862	544,042	581,000
Total expenditures and transfers out requiring appropriation	155,862	544,042	581,000
ENDING FUND BALANCES	\$ 206,003	\$ 196,000	\$ 197,435
EMERGENCY RESERVE	\$ 7,700	\$ 15,700	\$ 17,500
OPERATIONS RESERVE	198,303	180,300	179,935
TOTAL RESERVE	\$ 206,003	\$ 196,000	\$ 197,435

See Summary of Significant Assumptions

**CIELO METROPOLITAN DISTRICT
DEBT SERVICE FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

1/20/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ 3,567	\$ 2,662	\$ -
REVENUES			
Property taxes	511,696	755,723	1,157,648
Specific ownership taxes	38,328	47,702	86,824
Interest Income	16,028	12,000	20,000
Other Revenue	-	-	7,528
Total revenues	566,052	815,425	1,272,000
TRANSFERS IN			
Transfers from other funds	20	-	-
Total funds available	569,639	818,087	1,272,000
EXPENDITURES			
General and administrative			
County Treasurer's Fee	7,717	11,336	17,365
Paying agent fees	4,000	4,000	4,000
Contingency	-	-	7,528
Debt Service			
Bond interest	555,260	802,751	1,243,107
Total expenditures	566,977	818,087	1,272,000
Total expenditures and transfers out requiring appropriation	566,977	818,087	1,272,000
ENDING FUND BALANCES	\$ 2,662	\$ -	\$ -

See Summary of Significant Assumptions

**CIELO METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

1/20/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Developer advance	7,709,234	-	5,000,000
Total revenues	<u>7,709,234</u>	<u>-</u>	<u>5,000,000</u>
TRANSFERS IN			
Transfers from other funds	<u>39,473</u>	<u>11,264</u>	<u>25,000</u>
Total funds available	<u>7,748,707</u>	<u>11,264</u>	<u>5,025,000</u>
EXPENDITURES			
General and Administrative			
Accounting	6,961	-	5,000
Legal	1,163	-	-
Capital Projects			
Engineering	31,329	11,264	20,000
Capital outlay	7,709,234	-	5,000,000
Total expenditures	<u>7,748,687</u>	<u>11,264</u>	<u>5,025,000</u>
Total expenditures and transfers out requiring appropriation	<u>7,748,707</u>	<u>11,264</u>	<u>5,025,000</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Summary of Significant Assumptions

**CIELO METROPOLITAN DISTRICT
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

Cielo Metropolitan District (The District), a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District court for Douglas County on March 29, 2016, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District will serve the public improvement needs of a development generally located east of Chambers Road, north of Scott Avenue, and south of Pinery Parkway in Douglas County, Colorado.

Pursuant to the amended Service Plan, the District is authorized to provide for the planning, design, acquisition, construction, installation, relocation, redevelopment, financing, and operation and maintenance of all public improvements, including water, sanitation, streets, stormwater, park and recreation, traffic and safety control and mosquito control improvements.

On May 5, 2020, the District's qualified electors approved indebtedness of \$200,000,000 for certain categories of Public Improvements, such as streets, park and recreation, water, sanitation/sewer, transportation, mosquito control, safety protection, fire protection, TV relay and translation and security and \$220,000,000 for refunding.

The amended Service Plan imposes a debt limitation on the District in the aggregate amount of \$25,000,000 (excluding refundings). In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area, however, as of the date of this budget, the amount and timing of any debt issuances is not determinable.

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

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Revenues

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 taxpayer's election, in February and June. Delinquent taxpayers are notified in August, and generally, sale of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

**CIELO METROPOLITAN DISTRICT
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

Property Taxes (continued)

Under the Service Plan, the District is limited to the imposition of a mill levy in an amount not to exceed 60 mills; provided, however, that in the event the method of calculating assessed valuation is changed after the date of approval of the Service Plan, the mill levy limitation provided for the District will be automatically increased or decreased to reflect such changes, so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a change in the method of calculating assessed valuation.

The calculation of the taxes levied is displayed on the Property Tax Summary page of the Budget at the mill levy adopted by the District.

For property tax collection year 2026, HB24B-1001 set the assessment rates as follows:

Category	Rate
Single-Family Residential	6.25%
Multi-Family Residential	6.25%
Commercial	27.00%
Industrial	27.00%
Lodging	27.00%

Category	Rate
Agricultural Land	27.00%
Renewable Energy Land	27.00%
Vacant Land	27.00%
Personal Property	27.00%
State Assessed	27.00%
Oil & Gas Production	87.50%

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 7.50% of the property taxes collected.

Operations Fee

The District imposes Operations Fee for funding the Operations Costs, which is necessary to provide for the common good and for the prosperity and general welfare of the property owners, taxpayers, and residents within the District. Operations Fee shall consist of a recurring payment (the "Recurring Payment") and a separate payment imposed on the Transfer of a Residential Unit to an End User (the "Transfer Payment"). The Recurring Payment, payable on the 1st day of each month, is equal to \$129 per month per Residential Unit for 2026, and increased annually by 3% until December 31, 2027, and by 5% commencing on January 1, 2028. The Transfer Payment is \$500 per transfer and is due upon which the transfer occurs.

**CIELO METROPOLITAN DISTRICT
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

Interest Income

Interest earned on the Districts available funds has been estimates based upon an average interest rate of approximately 4.00%.

Expenditures

County Treasurer's Fees

County Treasurer's collection fees have been computed at 1.5% of property taxes collected.

General and Administrative

General and administrative expenditures have been provided based on estimates of the District's Board of Directors and consultants of costs of services necessary to maintain the District's administrative viability such as legal, accounting, management, insurance, meeting expense, and other administrative expenses.

Operations and Maintenance

Estimated expenditures related to operations and maintenance of the grounds within the District (e.g. landscaping maintenance, security, snow removal, etc.) were included the Operations Fee Fund budget.

Transfer to Stone Creek Metro District

Pursuant to Clubhouse Joint Use and Operations Cost Sharing Agreement, the District will share in the management of Clubhouse Improvements with Stone Creek Metro District, and pay 51% of annual budgeted and approved operations and maintenance costs, inclusive of all legal costs, management costs, accountant costs, and other consulting fees, to Stone Creek Metro District.

Debt Service

The Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest. Unpaid interest on the Bonds compounds annually on each December 1.

**CIELO METROPOLITAN DISTRICT
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases

On April 28, 2021, the District issued \$17,942,000 of Limited Tax General Obligation Bonds, Series 2021. The Bonds bear interest at the rate of 5.25% per annum and payable annually on December 1, but only to the extent of available Pledged Revenue. The Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest. Unpaid interest on the Bonds compounds annually on each December 1. In the event any amounts due and owing on the Bonds remain outstanding on December 1, 2060 (the "Discharge Date"), such amounts shall be extinguished and no longer be due and outstanding.

The Bonds are subject to redemption prior to maturity, at the option of the District, on June 1, 2026, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
June 1, 2026, to May 31, 2027	3.00%
June 1, 2027, to May 31, 2028	2.00
June 1, 2028, to May 31, 2029	1.00
June 1, 2029, and thereafter	0.00

The Series 2021 Bonds are secured by and payable solely from and to the extent of Pledged Revenue which means:

- (a) the Required Mill Levy;
- (b) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Required Mill Levy; and
- (c) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Pledged Revenue.

Pursuant to the Indenture, the District has covenanted to impose a Required Mill Levy on all taxable property of the District each year in an amount sufficient to pay the Bonds when due, but not in excess of 50.000 mills (subject to adjustment for changes in the method of calculating assessed valuation that occur on or after January 1, 2015).

**CIELO METROPOLITAN DISTRICT
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (continued)

The following is an analysis of the anticipated changes in the District's long-term obligations for the year ended December 31, 2025 and 2026.

	Balance - December 31, 2024	Additions*	Retirements/ Reductions	Balance - December 31, 2025*
Developer Advances:				
Operating	\$ 85,981	\$ 13,964	\$ -	\$ 99,945
Capital	9,193,243	-	-	9,193,243
Accrued Interest				
Operating	26,507	5,861	-	32,368
Capital	434,901	551,595	-	986,496
Total	<u>\$ 9,740,632</u>	<u>\$ 571,420</u>	<u>\$ -</u>	<u>\$ 10,312,052</u>
	Balance - December 31, 2025	Additions*	Retirements/ Reductions	Balance - December 31, 2026*
Developer Advances:				
Operating	\$ 99,945	\$ -	\$ -	\$ 99,945
Capital	9,193,243	5,000,000	-	14,193,243
Accrued Interest	-			
Operating	32,368	5,997	-	38,365
Capital	986,496	726,663	-	1,713,159
Total	<u>\$ 10,312,052</u>	<u>\$ 5,732,660</u>	<u>\$ -</u>	<u>\$ 16,044,711</u>

*Estimate

The District has no operating and capital leases.

Reserves

Emergency Reserve

The District has provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending, as defined under TABOR.

This information is an integral part of the accompanying budget.

EXHIBIT D

2025 Audit

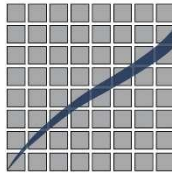
**CIELO METROPOLITAN DISTRICT
Douglas County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2025

**CIELO METROPOLITAN DISTRICT
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YEAR ENDED DECEMBER 31, 2025**

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BiggsKofford

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Cielo Metropolitan District
Douglas County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Cielo Metropolitan District ("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 District as of December 31, 2025, 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 the 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 auditing standards generally accepted in the United States of America 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 auditing standards generally accepted in the United States of America, 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 Supplementary 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 which 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information, as identified in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the

basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information, as identified in the table of contents. The other information does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or provide any assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

BiggsKofford LLP

Colorado Springs, Colorado
July 20, 2026

BASIC FINANCIAL STATEMENTS

**CIELO METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2025**

	<u>Governmental Activities</u>
ASSETS	
Cash and Investments	\$ 263,753
Cash and Investments - Restricted	27,969
Accounts Receivable	12,299
Prepaid Insurance	8,101
Property Tax Receivable	1,389,170
Receivable from County Treasurer	5,830
Capital Assets:	
Capital Assets Not Being Depreciated	<u>26,516,644</u>
Total Assets	<u>28,223,766</u>
LIABILITIES	
Accounts Payable	55,338
Prepaid Owner Fees	26,106
Noncurrent Liabilities:	
Due in More Than One Year	<u>31,330,310</u>
Total Liabilities	<u>31,411,754</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Property Tax	<u>1,389,170</u>
Total Deferred Inflows of Resources	<u>1,389,170</u>
NET POSITION	
Restricted for:	
Emergency Reserve	22,000
Debt Service	10,352
Unrestricted	<u>(4,609,510)</u>
Total Net Position	<u><u>\$ (4,577,158)</u></u>

See accompanying Notes to Basic Financial Statements.

**CIELO METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025**

FUNCTIONS/PROGRAMS Primary Government: Governmental Activities: General Government Interest on Long-Term Debt and Related Costs Total Governmental Activities	Program Revenues			Net Revenues (Expenses) and Changes in Net Position
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Expenses				Governmental Activities
\$ 697,829	\$ 525,326	\$ -	\$ -	\$ (172,503)
1,649,530	-	-	-	(1,649,530)
\$ 2,347,359	\$ 525,326	\$ -	\$ -	(1,822,033)
GENERAL REVENUES				
Property taxes				873,056
Specific ownership taxes				69,801
Interest Income				21,569
Other Revenue				3,043
Transfer from Allison Ranch HOA				31,808
Reimbursed expenditures				2,917
Late fees/penalties				2,061
Total General Revenues				<u>1,004,255</u>
CHANGES IN NET POSITION				(817,778)
Net Position - Beginning of Year				<u>(3,759,380)</u>
NET POSITION - END OF YEAR				<u>\$ (4,577,158)</u>

See accompanying Notes to Basic Financial Statements.

**CIELO METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2025**

	General	Operation Fee	Debt Service	Capital Projects	Total Governmental Funds
ASSETS					
Cash and Investments	\$ 3,933	\$ 259,820	\$ -	\$ -	\$ 263,753
Cash and Investments - Restricted	4,800	17,200	5,494	475	27,969
Receivable from County Treasurer	972	-	4,858	-	5,830
Accounts Receivable	-	12,299	-	-	12,299
Prepaid Insurance	8,101	-	-	-	8,101
Property Tax Receivable	231,522	-	1,157,648	-	1,389,170
Total Assets	<u>\$ 249,328</u>	<u>\$ 289,319</u>	<u>\$ 1,168,000</u>	<u>\$ 475</u>	<u>\$ 1,707,122</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 7,356	\$ 47,507	\$ -	\$ 475	\$ 55,338
Prepaid Owner Fees	-	26,106	-	-	26,106
Total Liabilities	<u>7,356</u>	<u>73,613</u>	<u>-</u>	<u>475</u>	<u>81,444</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Property Tax	231,522	-	1,157,648	-	1,389,170
Total Deferred Inflows of Resources	<u>231,522</u>	<u>-</u>	<u>1,157,648</u>	<u>-</u>	<u>1,389,170</u>
FUND BALANCES					
Nonspendable:					
Prepaid Expense	8,101	-	-	-	8,101
Restricted for:					
Emergency Reserve	4,800	17,200	-	-	22,000
Debt Service	-	-	10,352	-	10,352
Committed:					
Operations	-	198,506	-	-	198,506
Unassigned	(2,451)	-	-	-	(2,451)
Total Fund Balances	<u>10,450</u>	<u>215,706</u>	<u>10,352</u>	<u>-</u>	<u>236,508</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 249,328</u>	<u>\$ 289,319</u>	<u>\$ 1,168,000</u>	<u>\$ 475</u>	

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.	26,516,644
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	
Accrued Interest	(3,076,257)
Bonds Payable	(17,942,000)
Developer Advance Payable	(10,312,053)
Net Position of Governmental Activities	<u><u>\$ (4,577,158)</u></u>

See accompanying Notes to Basic Financial Statements.

**CIELO METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2025**

	General	Operation Fee	Debt Service	Capital Projects	Total Governmental Funds
REVENUES					
Property taxes	\$ 145,502	\$ -	\$ 727,554	\$ -	\$ 873,056
Specific ownership taxes	11,633	-	58,168	-	69,801
Interest Income	1,651	6,306	13,612	-	21,569
Operation Fee - Recurring (Homeowner fees)	-	465,826	-	-	465,826
Operation Fee - Transfer (Metro fee)	-	59,500	-	-	59,500
Transfer from Allison Ranch HOA	-	31,808	-	-	31,808
Reimbursed expenditures	-	2,917	-	-	2,917
Late fees/penalties	-	2,061	-	-	2,061
Other Revenue	-	3,043	-	-	3,043
Total Revenues	158,786	571,461	799,334	-	1,529,581
EXPENDITURES					
Current:					
Accounting	43,022	-	-	-	43,022
Auditing	6,330	-	-	-	6,330
County Treasurer's Fee	2,185	-	10,924	-	13,109
District management	-	49,200	-	-	49,200
Dues and Membership	366	-	-	-	366
Election	2,345	-	-	-	2,345
Electricity	-	1,703	-	-	1,703
Engineering	-	-	-	10,338	10,338
Insurance	7,170	-	-	-	7,170
Landscaping	-	104,974	-	-	104,974
Legal	38,627	2,727	-	-	41,354
Miscellaneous	-	8,406	-	-	8,406
Transfer to Stone Creek Metro District	-	134,652	-	-	134,652
Repairs and maintenance	-	141,464	-	-	141,464
Snow removal	-	18,120	-	-	18,120
Trash collection	-	62,984	-	-	62,984
Social Events	-	4,633	-	-	4,633
Decorations	-	6,900	-	-	6,900
Water	-	39,959	-	-	39,959
Website	800	-	-	-	800
Debt Service:					
Bond interest	-	-	776,720	-	776,720
Paying agent fees	-	-	4,000	-	4,000
Total Expenditures	100,845	575,722	791,644	10,338	1,478,549
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	57,941	(4,261)	7,690	(10,338)	51,032
OTHER FINANCING SOURCES (USES)					
Developer advance	13,964	-	-	-	13,964
Transfers (to)/from other funds	(24,302)	13,964	-	10,338	-
Total Other Financing Sources (Uses)	(10,338)	13,964	-	10,338	13,964
NET CHANGE IN FUND BALANCES	47,603	9,703	7,690	-	64,996
Fund Balances - Beginning of Year	(37,153)	206,003	2,662	-	171,512
FUND BALANCES - END OF YEAR	<u>\$ 10,450</u>	<u>\$ 215,706</u>	<u>\$ 10,352</u>	<u>\$ -</u>	<u>\$ 236,508</u>

See accompanying Notes to Basic Financial Statements.

**CIELO METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025**

Net Change in Fund Balances - Total Governmental Funds	\$ 64,996
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Amounts reported for governmental activities in the statement of activities are different because:

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

Developer Advance	(13,964)
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued Interest Payable - Change in Liability	(311,354)
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Accrued Interest Payable Developer Advance - Change in Liability	(557,456)
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Changes in Net Position of Governmental Activities	<u>\$ (817,778)</u>
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**CIELO METROPOLITAN DISTRICT
GENERAL FUND –
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property taxes	\$ 151,135	\$ 145,502	\$ (5,633)
Specific ownership taxes	13,602	11,633	(1,969)
Interest Income	1,947	1,651	(296)
Total Revenues	166,684	158,786	(7,898)
EXPENDITURES			
Accounting	40,000	43,022	(3,022)
Auditing	6,000	6,330	(330)
County Treasurer's Fee	2,267	2,185	82
Dues and Membership	500	366	134
Election	2,000	2,345	(345)
Insurance	6,000	7,170	(1,170)
Legal	45,000	38,627	6,373
Website	1,500	800	700
Contingency	16,733	-	16,733
Total Expenditures	120,000	100,845	19,155
EXCESS OF REVENUES OVER EXPENDITURES	46,684	57,941	11,257
OTHER FINANCING SOURCES (USES)			
Developer advance	-	13,964	13,964
Transfers to other fund	(25,000)	(24,302)	698
Total Other Financing Sources (Uses)	(25,000)	(10,338)	14,662
NET CHANGE IN FUND BALANCE	21,684	47,603	25,919
Fund Balance - Beginning of Year	24,610	(37,153)	(61,763)
FUND BALANCE - END OF YEAR	<u>\$ 46,294</u>	<u>\$ 10,450</u>	<u>\$ (35,844)</u>

See accompanying Notes to Basic Financial Statements.

**CIELO METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 1 DEFINITION OF REPORTING ENTITY

Cielo Metropolitan District (the District), a quasi-municipal corporation and a political subdivision of the state of Colorado, was organized by order and decree of the District court for Douglas County on March 30, 2016, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District serves the public improvement needs of a development generally located east of Chambers Road, north of Scott Avenue, and south of Pinery Parkway in Douglas County, Colorado. Pursuant to the District's Service Plan approved by the Douglas County Board of County Commissioners on September 8, 2015, and as amended by that First Amendment to Service Plan approved on January 5, 2021, and that Second Amendment to Service Plan approved on January 24, 2023 (collectively, the Service Plan), the District is authorized to provide for the planning, design, acquisition, construction, installation, relocation, redevelopment, financing, and operation and maintenance of all public improvements, including water, sanitation, streets, stormwater, park and recreation, traffic and safety control, and mosquito control improvements.

The District follows the Governmental Accounting Standards Board (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 District has no employees, and all operations and administrative functions are contracted.

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

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. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by property taxes and intergovernmental revenues.

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

**CIELO METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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

Separate financial statements are provided for the 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.

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

The District reports the following major governmental funds:

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

The Operations Fee Fund is used to account for revenues earned and expenditures incurred in connection with recurring residential fees to provide for the common good and for the prosperity and general welfare of the property owners, taxpayers, and residents within the District.

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of the governmental funds.

The Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of capital equipment and facilities.

**CIELO METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 and other financing uses 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.

The District has amended its annual budget for the year ended December 31, 2025.

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 bank 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 and investments.

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 taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflows of resources in the year they are levied and measurable. The property tax revenues are recorded as revenue in the year they are available or collected.

Capital Assets

Capital assets, which include infrastructure (e.g., storm drainage, streets, and similar items), are reported in the applicable governmental activities' column 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. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

**CIELO METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

Capital assets which are anticipated to be conveyed to other governmental entities, as well as capital assets being constructed which the District may operate and maintain, are recorded as construction in progress. Construction in progress is not being depreciated and is not included in the calculation of Net Investment in Capital Assets component of the District's net position.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

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. Land and certain landscaping improvements are not depreciated. No depreciation expense was recognized during 2025.

Deferred Inflows of Resources

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 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.

Equity

Net Position

For government-wide presentation purposes when both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

Fund Balances

Fund balances for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components.

**CIELO METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance

The following classifications describe the relative strength of the spending constraints:

Nonspendable Fund Balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

Restricted Fund Balance – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

Committed Fund Balance – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by 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 – The portion of fund balance that is constrained by the government's intent to be used for specific purposes but is neither restricted nor committed. Intent is expressed by the board of directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

Unassigned Fund Balance – The residual portion of fund balance that does not meet any of the criteria described above.

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

Operations Fee

Effective January 1, 2025, the Cielo Metropolitan District (the District) adopted an Amended and Restated Resolution Concerning the Imposition of an Operations Fee (the Resolution) to fund the costs associated with the operation, maintenance, and replacement of District-owned facilities and services. The Resolution supersedes the prior fee resolution adopted in 2022 and establishes a two-part Operations Fee: (1) a recurring monthly payment of \$125 per residential unit, subject to annual increases of 3% through 2027 and 5% thereafter; and (2) a \$500 fee due upon the transfer of a residential unit to an end user. The Operations Fee is intended to cover both direct and indirect costs of facility upkeep and service provision, including landscape maintenance and snow removal, and is secured by a statutory lien on the property served.

**CIELO METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Collection of Delinquent Fees and Charges

On April 27, 2022, the District adopted a resolution establishing guidelines for the processing and collection of delinquent fees and charges. This resolution outlines the procedures for managing unpaid and delinquent fees, including the imposition of late fees, interest, penalties, and costs of collection. The resolution ensures that all delinquent fees and charges constitute a perpetual lien on the property served by the District, which may be foreclosed in accordance with Colorado law. The resolution also details the responsibilities of the District's manager and general counsel in the collection process, including sending reminder and warning letters, filing statements of lien, and potentially initiating foreclosure actions. The resolution allows for the waiver or reduction of late fees and interest under certain conditions and authorizes the establishment of payment plans for delinquent accounts. This resolution supersedes all prior resolutions addressing the collection of delinquent fees and charges.

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 3 CASH AND INVESTMENTS

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

Statement of Net Position:

Cash and Investments	\$ 263,753
Cash and Investments - Restricted	27,969
Total Cash and Investments	<u>\$ 291,722</u>

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

Deposits with Financial Institutions	\$ 139,658
Investments	152,064
Total Cash and Investments	<u>\$ 291,722</u>

**CIELO METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Deposits with Financial Institutions

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 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.

At December 31, 2025, the District's cash deposits had a bank balance and a carrying balance of \$139,658.

Investments

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

The District generally limits its concentration of investments to those noted with an asterisk (*) below, which are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk. Additionally, the District is not subject to concentration risk or investment custodial risk disclosure requirements for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the board of directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- . Obligations of the United States, certain U.S. government agency securities, and securities of the World Bank
- . General obligation and revenue bonds of U.S. local government entities
- . Certain certificates of participation
- . Certain securities lending agreements
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- * Local government investment pools

**CIELO METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

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

Investment	Maturity	Amount
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted-Average Under 60 Days	\$ 152,064
		<u>\$ 152,064</u>

COLOTRUST

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust currently offers three portfolios – COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE.

COLOTRUST PRIME and COLOTRUST PLUS+, which operate similarly to a money market fund and each share is equal in value to \$1.00, offer daily liquidity. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

COLOTRUST EDGE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$10.00 transactional share price. COLOTRUST EDGE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST PRIME and COLOTRUST PLUS+ are rated AAAM by Standard & Poor's. COLOTRUST EDGE is rated AAAs/S1 by Fitch Ratings. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

**CIELO METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 4 CAPITAL ASSETS

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

	Balance at December 31, 2024	Increases	Decreases	Balance at December 31, 2025
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ 26,516,644	\$ -	\$ -	\$ 26,516,644
Total Capital Assets, Not Being Depreciated	<u>\$ 26,516,644</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,516,644</u>

NOTE 5 LONG-TERM OBLIGATIONS

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

	Balance at December 31, 2024	Additions	Reductions	Balance at December 31, 2025
Bonds Payable				
Limited Tax General Obligation Bonds Series 2021 (3)	\$ 17,942,000	\$ -	\$ -	\$ 17,942,000
Accrued Interest Series 2021 (3)	2,764,903	1,088,074	776,720	3,076,257
Subtotal Bonds Payable	<u>20,706,903</u>	<u>1,088,074</u>	<u>776,720</u>	<u>21,018,257</u>
Other Debts				
Developer Advance - Operating	85,981	13,964	-	99,945
Developer Advance - Capital	9,193,243	-	-	9,193,243
Accrued Interest on:				
Developer Advance - Operating	26,507	5,861	-	32,368
Developer Advance - Capital	434,902	551,595	-	986,497
Subtotal Other Debts	<u>9,740,633</u>	<u>571,420</u>	<u>-</u>	<u>10,312,053</u>
Total Long-Term Obligations	<u>\$ 30,447,536</u>	<u>\$ 1,659,494</u>	<u>\$ 776,720</u>	<u>\$ 31,330,310</u>

The details of the District's general obligation bonds outstanding during 2025 are as follows:

Limited Tax General Obligation Bonds, Series 2021(3) (the Bonds)

Bond Proceeds

The District issued the Bonds on April 28, 2021, in the par amount of \$17,942,000. Proceeds from the sale of the Bonds were used to: (i) finance the costs of constructing public improvements related to the development; and (ii) pay the costs of issuing the Bonds.

**CIELO METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax General Obligation Bonds, Series 2021(3) (the Bonds) (Continued)

Details of the Bonds

The Bonds bear interest at the rate of 5.250% per annum and are payable annually on December 1, beginning on December 1, 2021, but only to the extent of available Pledged Revenue. The Bonds mature on December 1, 2050 and are subject to mandatory redemption to the extent of available Pledged Revenue.

The Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest. Unpaid interest on the Bonds compounds annually on each December 1. In the event any amounts due and owing on the Bonds remain outstanding on December 1, 2060, such amounts shall be extinguished and no longer due and outstanding.

Optional Redemption

The Bonds are subject to redemption prior to maturity, at the option of the District, on June 1, 2026, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed, as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
June 1, 2026 to May 31, 2027	3.00%
June 1, 2027 to May 31, 2028	2.00
June 1, 2028 to May 31, 2029	1.00
June 1, 2029 and Thereafter	0.00

Pledged Revenue

The Bonds are secured by and payable from moneys derived by the District from the following sources: (a) all Property Tax Revenues; (b) all Specific Ownership Tax Revenues; and (c) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Bond Fund. "Property Tax Revenues" means all moneys derived from imposition by the District of the Required Mill Levy and does not include specific ownership taxes. Property Tax Revenues are net of the collection costs of the County and any tax refunds or abatements authorized by or on behalf of the County. "Specific Ownership Tax Revenues" means the specific ownership taxes remitted to the District as a result of its imposition of its Required Mill Levy.

Required Mill Levy

Pursuant to the Indenture, the District has covenanted to impose a Required Mill Levy on all taxable property of the District each year in an amount equal to 50 mills (subject to adjustment for changes in the method of calculating assessed valuation that occur on or after January 1, 2015) or such lesser amount that will generate Property Tax Revenues which, when combined with moneys then on deposit in the Bonds Fund, will pay the Bonds in full in the year such levy is collected.

**CIELO METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax General Obligation Bonds, Series 2021(3) (the Bonds) (Continued)

Bonds Debt Service

The annual debt service requirements of the Bonds are not currently determinable since they are payable only from available Pledged Revenue.

Events of Default

The District's outstanding Bonds related to governmental activities contain a provision that no event of Default is to have occurred until notice of such is provided by the Owners of 25% in aggregate principal amount of the Bonds then outstanding. Events of Default occurs if the District does not impose the Required Mill levy, defaults in the performance or observance of the Indenture or the Bond Resolution, and files a petition under bankruptcy laws.

The Bonds are collateralized by Pledged Revenue which means the Required Mill Levy; the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Required Mill Levy; and any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Pledged Revenue.

Authorized Debt

On May 5, 2020, in accordance with state law, the District's qualified electors approved indebtedness in an amount not to exceed \$500,000,000 at an interest rate not to exceed 12% per annum. At December 31, 2025, the District had authorized but unissued indebtedness of \$482,058,000.

Pursuant to the Service Plan, the District is permitted to issue bond indebtedness up to \$25,000,000 and impose a maximum mill levy of 60.000, adjusted. In no event is the District authorized to issue debt in excess of the Service Plan Debt Issuance Limit, with the exception that such limit is not applicable to refundings of the debt authorized to be issued under the Service Plan. As of December 31, 2025 the District had authorized but unissued indebtedness of \$7,058,000 under the Service Plan.

In the future, the District may issue a portion or all of the remaining authorized but unissued debt for purposes of providing public improvements to support development as it occurs within the District's service area.

**CIELO METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 6 NET POSITION

The District has net position consisting of two components – restricted and unrestricted.

Restricted net position consists of assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had a restricted net position as of December 31, 2025, as follows:

Restricted Net Position:	
Emergency Reserve	\$ 22,000
Debt Service Reserve	10,352
Total Restricted Net Position	<u>\$ 32,352</u>

The District has a deficit in unrestricted net position. This deficit amount is a result of the District being responsible for the repayment of bonds issued for public improvements, of which a significant portion of these improvements will be conveyed to other governmental entities and which costs will be removed from the District's financial records.

NOTE 7 AGREEMENTS

Infrastructure Acquisition and Reimbursement Agreement with Toll Southwest, LLC

On January 30, 2020, the District entered into the Infrastructure Acquisition and Reimbursement Agreement (the Agreement) with Toll Southwest, LLC (the Developer), pursuant to which the Developer agrees to make advances to the District for the purpose of the acquisition, financing, construction, and installation of the Public Infrastructure in connection with development within the boundaries of the District. The District, upon the execution of the Agreement, agrees to acquire certain public infrastructure constructed or caused to be constructed by the Developer to be owned by the District or other governmental entities. The District agrees to repay these advances and reimburse the Developer for the certified District eligible costs, together with accrued simple interest at the rate of 6% per annum from the date of payment or the date of the related acceptance resolution. The District's obligations under this Agreement shall terminate at the earlier of the repayment in full of the Developer advances or 20 years from the execution date. In the event of a breach or default of the Agreement, the nondefaulting party shall be entitled to exercise all remedies available.

As of December 31, 2025, the total amount outstanding under this agreement is \$10,179,740, including accrued interest of \$986,497.

Funding and Reimbursement Agreement (Operations and Maintenance) with Toll Southwest, LLC

On January 30, 2020, the District entered into the Funding and Reimbursement Agreement (Operations and Maintenance) (the O&M Agreement) with Toll Southwest, LLC. Pursuant to the O&M Agreement, the Developer agrees to advance funds to the District, for operation and maintenance expenses, one or more sums of money, not to exceed the aggregate of \$50,000 per annum for two years. The maximum amount to be advanced for Operations and Maintenance

**CIELO METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 7 AGREEMENTS (CONTINUED)

Funding and Reimbursement Agreement (Operations and Maintenance) with Toll Southwest, LLC (Continued)

Expenses pursuant to this agreement is one hundred thousand dollars (\$100,000). The District agrees to repay these advances together with accrued interest at the rate of 6% per annum accruing from the date any such advance is made. The term of repayment under the O&M Agreement shall not extend beyond 20 years from the date of the O&M Agreement.

On October 19, 2022, the District entered into the First Amendment to Funding and Reimbursement Agreement, effective as of December 31, 2021, to extend the Loan Obligation Termination Date to December 31, 2023.

On November 9, 2023, the District entered into the Second Amendment to the Funding and Reimbursement Agreement, to extend the Loan Obligation Date to December 31, 2024 and to increase the maximum loan amount from \$50,000 to \$150,000 per annum.

As of December 31, 2025, the total amount outstanding under this agreement is \$132,313, including accrued interest of \$32,368.

Clubhouse Joint Use and Operations Cost Sharing Agreement with Stone Creek Metropolitan District

On August 25, 2021, the District entered into the Clubhouse Joint Use and Operations Cost Sharing Agreement (the Operation Agreement) with Stone Creek Metropolitan District (Stone Creek MD). Stone Creek MD and the District have determined that for reasons of economic efficiency and timeliness, it is in the best interest of the residents, property owners, and taxpayers of both Districts to enter into the Operations Agreement wherein both Stone Creek MD and the District will share in the management of the Clubhouse Improvements and pay their respective proportionate share of annual budgeted and approved operations and maintenance costs, inclusive of all legal costs, management costs, accountant costs, and other consulting fees (the Clubhouse O&M Costs). Stone Creek MD and the District agree the Clubhouse O&M Costs shall be allocated in proportion to the benefits the Clubhouse Improvements will provide to each District at full buildout (Stone Creek MD has up to 331 units; Cielo MD has up to 343 units). The District shall pay 51% of the Clubhouse O&M Costs.

Agreement Regarding School Park Facilities Construction, Use, and Maintenance

On November 12, 2019, the District, Forestar (USA) Real Estate Group Inc. (Forestar), and the Douglas County School District (DCSD) entered into an Agreement Regarding School Park Facilities Construction, Use, and Maintenance (the Agreement). The Agreement outlines the responsibilities of each party for the design, construction, ownership, operation, and maintenance of school park facilities adjacent to a school site in Douglas County, Colorado. Under the Agreement, Forestar committed to fund and construct the School Park Facilities, with the total value of improvements and land dedication offsetting voluntary capital mitigation fees owed by Forestar and its affiliate, Stone Creek Ranch (SCR), totaling \$1,789,081.

**CIELO METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 7 AGREEMENTS (CONTINUED)

Agreement Regarding School Park Facilities Construction, Use, and Maintenance (Continued)

The Agreement also provides that the District will assume long-term ownership and maintenance responsibilities for the School Park Facilities, with DCSD contributing to capital replacement costs upon occupancy or early use of the school site. The Agreement is effective through December 31, 2049, with automatic five-year renewals thereafter.

On December 31, 2019, Forestar executed a Partial Assignment of the Agreement to Toll Southwest LLC (Toll), pursuant to a Real Estate Purchase Agreement dated November 22, 2019. Under the terms of the assignment, Toll assumed all of Forestar's rights and obligations under the Agreement, except for Forestar's retained right to receive SCR Capital Mitigation Fee payments totaling \$878,759. Toll is now responsible for all obligations under the Agreement arising on or after the assignment date, including construction and maintenance commitments related to the School Park Facilities.

Termination Agreement of Allison Ranch

The District entered into a Termination Agreement dated January 25, 2025, with the Allison Ranch Homeowners Association, Inc. (the Association), whereby the common interest community known as Allison Ranch was formally terminated effective January 31, 2025. As part of this termination, the District agreed to assume all covenant enforcement and design review responsibilities previously held by the Association. Additionally, all Association assets, including funds and contractual obligations, were transferred or assigned to the District, subject to acceptance. The increased operational responsibilities and associated costs resulting from the District's assumption of the Allison Ranch HOA functions were considered and incorporated into the updated Operations Fee structure.

NOTE 8 RELATED PARTIES

The Developer of the property within the District is Toll Southwest, LLC. The Developer has advanced funds to the District. The members of the Board of Directors of the District hold direct or indirect ownership interests in the Toll Southwest, LLC or are otherwise associated with Toll Southwest, LLC and may have conflicts of interest in dealing with the District. As and when required by law, each affected Board member files a written disclosure of any potential conflicts of interest with the District and the Colorado Secretary of State, and they refrain from voting on affected matters unless allowed by law.

NOTE 9 INTERFUND TRANSFERS

The transfers from the General Fund to the Capital Projects Fund were to cover payables.

**CIELO METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 10 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (the Pool). 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 and public officials' liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

NOTE 11 TAX, SPENDING, AND DEBT LIMITATIONS

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

Spending and revenue limits are determined based on the prior 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.

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.

On May 5, 2020, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District without regard to any limitations under TABOR.

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.

Section 29-1-1702, C.R.S., contains limitations on revenues generated from property tax revenues that apply to certain local governments within the state of Colorado.

**CIELO METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 11 TAX, SPENDING, AND DEBT LIMITATIONS (CONTINUED)

Annual operating revenue is limited to a 5.25% increase, such increase is determined based on a prior assessment period and adjusted for allowable exclusions and exemptions from qualified property tax revenues.

The District's management believes it is in compliance with the provisions of Section 29-1-1702, C.R.S. However, this section of the C.R.S. is complex and subject to interpretation.

SUPPLEMENTARY INFORMATION

**CIELO METROPOLITAN DISTRICT
OPERATION FEE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025**

	Budget		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES				
Interest Income	\$ -	\$ 6,400	\$ 6,306	\$ (94)
Reimbursed expenditures	-	3,000	2,917	(83)
Operation Fee - Recurring (Homeowner fees)	434,750	466,000	465,826	(174)
Operation Fee - Transfer (Metro fee)	46,500	59,500	59,500	-
Transfer from Allison Ranch HOA	-	31,808	31,808	-
Late fees/penalties	1,000	2,100	2,061	(39)
Other Revenue	-	3,692	3,043	(649)
Total Revenues	482,250	572,500	571,461	(1,039)
EXPENDITURES				
Water	25,000	40,000	39,959	41
Transfer to Stone Creek Metro District - Capital	45,000	-	-	-
Transfer to Stone Creek Metro District	105,000	135,000	134,652	348
Social Events	8,000	5,000	4,633	367
District management	49,200	49,200	49,200	-
Underdrain maintenance	5,250	-	-	-
Decorations	-	7,000	6,900	100
Electricity	2,500	2,500	1,703	797
Retaining Wall	1,575	-	-	-
Landscaping	120,570	105,000	104,974	26
Legal	-	3,000	2,727	273
Miscellaneous	18,115	10,000	8,406	1,594
Repairs and maintenance	20,000	142,000	141,464	536
Snow removal	50,000	18,500	18,120	380
Trash collection	55,000	63,000	62,984	16
Total Expenditures	505,210	580,200	575,722	4,478
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(22,960)	(7,700)	(4,261)	3,439
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	-	13,964	13,964	-
Total Other Financing Sources	-	13,964	13,964	-
NET CHANGE IN FUND BALANCE	(22,960)	6,264	9,703	3,439
Fund Balance - Beginning of Year	179,212	206,003	206,003	-
FUND BALANCE - END OF YEAR	<u>\$ 156,252</u>	<u>\$ 212,267</u>	<u>\$ 215,706</u>	<u>\$ 3,439</u>

**CIELO METROPOLITAN DISTRICT
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property taxes	\$ 755,723	\$ 727,554	\$ (28,169)
Specific ownership taxes	68,015	58,168	(9,847)
Interest Income	18,000	13,612	(4,388)
Other Revenue	8,262	-	(8,262)
Total Revenues	<u>850,000</u>	<u>799,334</u>	<u>(50,666)</u>
EXPENDITURES			
County Treasurer's Fee	11,336	10,924	412
Paying agent fees	4,000	4,000	-
Bond interest	826,402	776,720	49,682
Contingency	8,262	-	8,262
Total Expenditures	<u>850,000</u>	<u>791,644</u>	<u>58,356</u>
NET CHANGE IN FUND BALANCE	-	7,690	7,690
Fund Balance - Beginning of Year	<u>-</u>	<u>2,662</u>	<u>2,662</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ 10,352</u>	<u>\$ 10,352</u>

**CIELO METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Total Revenues	\$ -	\$ -	\$ -
EXPENDITURES			
Accounting	5,000	-	5,000
Engineering	20,000	10,338	9,662
Capital outlay	5,000,000	-	5,000,000
Total Expenditures	5,025,000	10,338	5,014,662
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(5,025,000)	(10,338)	5,014,662
OTHER FINANCING SOURCES (USES)			
Developer advance	5,000,000	-	(5,000,000)
Transfers from other funds	25,000	10,338	(14,662)
Total Other Financing Sources (Uses)	5,025,000	10,338	(5,014,662)
NET CHANGE IN FUND BALANCE	-	-	-
Fund Balance - Beginning of Year	-	-	-
FUND BALANCE - END OF YEAR	\$ -	\$ -	\$ -

OTHER INFORMATION

CIELO METROPOLITAN DISTRICT
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2025

Year Ended <u>December 31,</u>	Assessed Valuation	Percent Change	Total Mills Levied			Total Property Taxes		Percent Collected to Levied
			General Operations	Debt Service	Total	Levied	Collected	
2020/2021	\$ 2,201,830	0.12%	66.797	-	66.797	\$ 147,076	\$ 147,161	100.06 %
2021/2022	2,204,150	0.11%	11.132	55.664	66.796	147,228	147,229	100.00 %
2022/2023	4,884,110	121.59%	10.000	50.000	60.000	293,047	293,047	100.00 %
2023/2024	9,335,450	91.14%	10.962	54.812	65.774	614,030	614,031	100.00 %
2024/2025	12,646,180	35.46%	11.951	59.759	71.710	906,858	873,056	96.27 %

Estimated for

Year Ending

December 31, 2026

\$ 18,538,090

46.59%

12.489

62.447

74.936

\$

1,389,170

Note:

Property taxes collected in any one year include collection of delinquent property taxes levied in prior years. Information received from the Treasurer does not permit identification of specific year of levy.

Source: Douglas County Assessor and Treasurer.

**ANNUAL DISCLOSURE INFORMATION
(UNAUDITED)**

**CIELO METROPOLITAN DISTRICT
HISTORY OF ASSESSED VALUATION AND MILL LEVIES
DECEMBER 31, 2025**

<u>Levy Year</u>	<u>Collection Year</u>	<u>Assessed Valuation</u>	<u>Percent Change</u>	<u>Mill Levy</u>
2018	2019	\$ 3,580	-43.17%	66.333
2019	2020	2,199,210	61,330.45	66.797
2020	2021	2,201,830	0.12	66.797
2021	2022	2,204,150	0.11	66.796
2022	2023	4,884,110	121.59	60.000
2023	2024	9,335,450	91.14	65.774
2024	2025	12,646,180	35.46	71.710
2025	2026	18,538,090	46.59	74.936

**CIELO METROPOLITAN DISTRICT
PROPERTY TAX COLLECTIONS
DECEMBER 31, 2025**

<u>Levy Year</u>	<u>Collection Year</u>	<u>Taxes Levied</u>	<u>Current Tax Collection (1)</u>	<u>Collection Rate</u>
2018	2019	\$ 237	\$ 237	100.00 %
2019	2020	146,901	146,901	100.00
2020	2021	147,076	147,161	100.06
2021	2022	147,228	147,299	100.05
2022	2023	293,047	293,047	100.00
2023	2024	614,030	614,031	100.00
2024	2025	906,858	873,056	96.27
2025	2026	1,389,170	1,345,725	96.87

(1) Collections through June 30, 2026.

EXHIBIT E

Tax History and Revenue Projection

**Cielo Metropolitan District
Annual Report
As of 09/25/2026**

Revenues	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Property Tax - Operations	147,161	24,537	48,841	102,335	145,502	231,522	240,000	240,000	240,000	240,000	240,000
Property Tax - Debt Service	-	122,692	244,206	511,695	727,554	1,157,648	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
SO Tax - Operations	14,184	2,170	4,529	7,665	11,633	17,364	18,000	18,000	18,000	18,000	18,000
SO Tax - Debt Service	-	10,850	22,646	38,328	58,168	86,824	90,000	90,000	90,000	90,000	90,000
Bond Proceeds	17,942,000	-	-	-	-	-	-	-	-	-	-
Developer Advance	10,212,244	8,565,637	-	7,709,234	13,964	-	-	-	-	-	-
O&M Fees	-	-	119,755	253,403	525,326	576,435	593,728	623,414	654,585	687,314	721,680
Other revenue	-	-	-	4,788	39,829	8,528	-	-	-	-	-
Interest Income	1,946	8,930	6,744	19,020	21,569	27,000	27,000	27,000	27,000	27,000	27,000
Total Operating Revenues	28,317,535	8,734,816	446,721	8,646,468	1,543,545	2,105,321	2,168,728	2,198,414	2,229,585	2,262,314	2,296,680
Expenses	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2030
Accounting	17,996	22,755	42,533	43,417	43,022	45,000	47,250	49,613	52,093	54,698	57,433
Audit	-	4,850	5,190	5,650	6,330	7,600	7,000	7,000	7,000	7,000	7,000
Bond Issue Costs	634,166	-	-	-	-	-	-	-	-	-	-
Capital Outlay	10,212,244	8,565,637	-	7,709,234	-	-	-	-	-	-	-
County Treasurer's Fee	2,207	2,209	4,396	9,260	13,109	19,632	21,600	21,600	21,600	21,600	21,600
Debt Service	-	122,583	268,737	555,260	776,720	1,243,107	1,076,858	1,076,858	1,076,858	1,076,858	1,076,858
Dues and Memberships	305	371	405	450	366	500	500	500	500	500	500
Miscellaneous	1,100	850	1,259	2,086	8,406	1,000	1,500	1,500	1,500	1,500	1,500
District Management	-	-	27,504	1,052	49,200	51,000	53,550	56,228	59,039	61,991	65,090
Insurance	3,218	2,968	5,391	1,295	7,170	8,000	8,000	7,200	7,200	7,200	7,200
Website	-	-	-	-	800	1,000	1,000	1,000	1,000	1,000	1,000
Legal	41,847	28,821	23,856	60,764	41,354	40,000	42,000	44,100	46,305	48,620	51,051
Election	-	1,800	1,311	344	2,345	3,000	3,000	3,000	3,000	3,000	3,000
Engineering	14,536	14,993	19,728	31,329	10,338	20,000	21,000	22,050	23,153	24,310	25,526
O&M Expenditures	-	9,495	766	67,830	380,737	430,345	441,026	441,026	441,026	441,026	441,026
Paying Agent Fees	-	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Repay Developer Advance	10,212,244	7,081,628	-	-	-	-	-	-	-	-	-
Transfer to Stone Creek Metro District	5,560	26,070	67,060	87,081	134,652	99,655	101,600	103,600	105,700	107,800	110,000
Total Operating Expenses	21,145,423	15,889,030	472,136	8,579,052	1,478,549	1,973,839	1,829,884	1,839,274	1,849,974	1,861,103	1,872,784
Mill Levy - Operations	66.797	11.132	10.000	10.962	11.951	10.000	10.000	10.000	10.000	10.000	10.000
Mill Levy - Debt Service	-	55.664	50.000	54.812	59.759	50.000	50.000	50.000	50.000	50.000	50.000
Total Mill Levy	66.797	66.796	60.000	65.774	71.710	60.000	60.000	60.000	60.000	60.000	60.000

EXHIBIT F
Recorded DLG-32



COLORADO
Department of Local Affairs
Division of Local Government

FORM DLG-32
Notice of Special District Authorization or
Issuance of General Obligation Indebtedness
(CRS 32-1-1604)

Name of District:	Cielo Metropolitan District
Principal Amount:	See Exhibit A attached hereto.
Average Interest Rate:	N/A
Name of Bond Issue:	N/A
Credit Enhancement:	N/A
Rating and Rating Agency:	N/A
Dated as of:	N/A
Final Maturity Date:	N/A
Name and Address of Underwriter:	N/A
Name and Address of Bond Counsel:	N/A
Name, Address & Phone of District Contact Person:	Clint Waldron, Esq. White Bear Ankele Tanaka & Waldron 2154 E. Commons Avenue, Suite 2000 Centennial, CO 80122 (303) 858-1800

District is required to record with the **County Clerk and Recorder** within **30 days of Authorization or Issuance**. A copy should be sent to the **Division of Local Government**.

(Rev. 4/19)



Exhibit A
Cielo Metropolitan District
Debt Authorization at the May 5, 2020 Election

\$20,000,000	In-District Special Assessment Indebtedness Authorization
\$20,000,000	Street Improvement Indebtedness Authorization
\$20,000,000	Parks and Recreation Indebtedness Authorization
\$20,000,000	Water Indebtedness Authorization
\$20,000,000	Sanitation/Storm Sewer Indebtedness Authorization
\$20,000,000	Transportation Indebtedness Authorization
\$20,000,000	Mosquito Control Indebtedness Authorization
\$20,000,000	Safety Protection Indebtedness Authorization
\$20,000,000	Fire Protection Indebtedness Authorization
\$20,000,000	Television Relay and Translation Indebtedness Authorization
\$20,000,000	Security Indebtedness Authorization
\$20,000,000	Operations and Maintenance Indebtedness Authorization
\$220,000,000	Refunding Indebtedness Authorization
\$20,000,000	District Intergovernmental Agreement Indebtedness Authorization
\$20,000,000	District Private Agreement Indebtedness Authorization