CIELO METROPOLITAN DISTRICT
Douglas County, Colorado

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2025

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YEAR ENDED DECEMBER 31, 2025

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

	Governmental Activities
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	26,516,644
Total Assets	28,223,766
LIABILITIES	
Accounts Payable	55,338
Prepaid Owner Fees	26,106
Noncurrent Liabilities:	
Due in More Than One Year	31,330,310
Total Liabilities	31,411,754
DEFERRED INFLOWS OF RESOURCES	
Deferred Property Tax	1,389,170
Total Deferred Inflows of Resources	1,389,170
NET POSITION	
Restricted for:	
Emergency Reserve	22,000
Debt Service	10,352
Unrestricted	(4,609,510)
Total Net Position	$ (4,577,158)

See accompanying Notes to Basic Financial Statements.

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

		Program Revenues			Net Revenues (Expenses) and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
FUNCTIONS/PROGRAMS					
Primary Government:					
Governmental Activities:					
General Government	$ 697,829	$ 525,326	$ -	$ -	$ (172,503)
Interest on Long-Term Debt and Related Costs	1,649,530	-	-	-	(1,649,530)
Total Governmental Activities	$ 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					1,004,255
CHANGES IN NET POSITION					(817,778)
Net Position - Beginning of Year					(3,759,380)
NET POSITION - END OF YEAR					$ (4,577,158)

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	$ 249,328	$ 289,319	$ 1,168,000	$ 475	$ 1,707,122
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	7,356	73,613	-	475	81,444
DEFERRED INFLOWS OF RESOURCES					
Deferred Property Tax	231,522	-	1,157,648	-	1,389,170
Total Deferred Inflows of Resources	231,522	-	1,157,648	-	1,389,170
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	10,450	215,706	10,352	-	236,508
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 249,328	$ 289,319	$ 1,168,000	$ 475	
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					$ (4,577,158)

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	$ 10,450	$ 215,706	$ 10,352	$ -	$ 236,508

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
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)
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)
Accrued Interest Payable Developer Advance - Change in Liability	(557,456)
Changes in Net Position of Governmental Activities	$ (817,778)

See accompanying Notes to Basic Financial Statements.

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	$ 46,294	$ 10,450	$ (35,844)

See accompanying Notes to Basic Financial Statements.

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.

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.

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.

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.

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.

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	$	291,722

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	$	291,722

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

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
		$ 152,064

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 AAAf/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.

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	$ 26,516,644	$ -	$ -	$ 26,516,644

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	20,706,903	1,088,074	776,720	21,018,257
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	9,740,633	571,420	-	10,312,053
Total Long-Term Obligations	$ 30,447,536	$ 1,659,494	$ 776,720	$ 31,330,310

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.

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:

Date of Redemption	Redemption Premium
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.

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.

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	$	32,352

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

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.

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.

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.

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 Final Budget Positive
	Original	Final	Amounts	(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	$ 156,252	$ 212,267	$ 215,706	$ 3,439

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	850,000	799,334	(50,666)
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	850,000	791,644	58,356
NET CHANGE IN FUND BALANCE	-	7,690	7,690
Fund Balance - Beginning of Year	-	2,662	2,662
FUND BALANCE - END OF YEAR	$ -	$ 10,352	$ 10,352

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

			Total Mills Levied			Total Property Taxes		Percent
Year Ended December 31,	Assessed Valuation	Percent Change	General Operations	Debt Service	Total	Levied	Collected	Collected to Levied
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

Levy Year	Collection Year	Assessed Valuation	Percent Change	Mill Levy
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

Levy Year	Collection Year	Taxes Levied	Current Tax Collection (1)	Collection Rate
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.