CHAPEL HEIGHTS METROPOLITAN DISTRICT
El Paso County, Colorado

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2025

CHAPEL HEIGHTS METROPOLITAN DISTRICT
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2025

INDEPENDENT AUDITOR'S REPORT	**I**
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	**1**
STATEMENT OF ACTIVITIES	**2**
FUND FINANCIAL STATEMENTS	
BALANCE SHEET – GOVERNMENTAL FUNDS	**3**
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS	**4**
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	**5**
GENERAL FUND – STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	**6**
NOTES TO BASIC FINANCIAL STATEMENTS	**7**
SUPPLEMENTARY INFORMATION	
DEBT SERVICE FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	**24**
CAPITAL PROJECT FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	**25**
OTHER INFORMATION	
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED	**27**

BiggsKofford

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Chapel Heights Metropolitan District
El Paso County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Chapel Heights 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
September 25, 2026

BASIC FINANCIAL STATEMENTS

CHAPEL HEIGHTS METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2025

	Governmental Activities
ASSETS	
Cash and Investments	$ 80,184
Cash and Investments - Restricted	128,932
Receivable from County Treasurer	3,447
Accounts Receivable	26,112
Accounts Receivable - YMCA	27,336
Accounts Receivable - Cottages	35,000
Property Tax Receivable	409,998
Capital Assets:	
Capital Assets Net of Depreciation	5,798,202
Total Assets	6,509,211
LIABILITIES	
Accounts Payable	102,008
Prepaid Owner Fees	6,840
Accrued Interest	15,773
Noncurrent Liabilities:	
Due in More Than One Year	10,425,538
Total Liabilities	10,550,159
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	409,998
Total Deferred Inflows of Resources	409,998
NET POSITION	
Net Investment in Capital Assets	(281,274)
Restricted for:	
Emergency Reserve	16,300
Capital Projects	107,574
Unrestricted	(4,293,546)
Total Net Position	$ (4,450,946)

See accompanying Notes to Basic Financial Statements.

CHAPEL HEIGHTS METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

FUNCTIONS/PROGRAMS	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net Revenues (Expenses) and Change in Net Position: Governmental Activities
Primary Government:					
Governmental Activities:					
General Government	$ 831,689	$ 377,079	$ -	$ -	$ (454,610)
Transfer of Public Improvements to Another Government	3,525,941	-	-	-	(3,525,941)
Interest on Long-Term Debt and Related Costs	582,962	-	-	-	(582,962)
Total Governmental Activities	$ 4,940,592	$ 377,079	$ -	$ -	(4,563,513)
GENERAL REVENUES					
Property Taxes					450,923
Specific Ownership Taxes					43,252
Interest Income					899
Other Revenue					1,195
Total General Revenues and Transfers					496,269
CHANGES IN NET POSITION					(4,067,244)
Net Position - Beginning of Year					(383,702)
NET POSITION - END OF YEAR					$ (4,450,946)

See accompanying Notes to Basic Financial Statements.

CHAPEL HEIGHTS METROPOLITAN DISTRICT
BALANCE SHEET –
GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and Investments	$ 80,184	$ -	$ -	$ 80,184
Cash and Investments - Restricted	16,300	5,058	107,574	128,932
Receivable from County Treasurer	1,149	2,298	-	3,447
Accounts Receivable	26,112	-	-	26,112
Accounts Receivable - YMCA	27,336	-	-	27,336
Accounts Receivable - Cottages	35,000	-	-	35,000
Property Tax Receivable	136,663	273,335	-	409,998
Total Assets	$ 322,744	$ 280,691	$ 107,574	$ 711,009
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	$ 102,008	$ -	$ -	$ 102,008
Prepaid Owner Fees	6,840	-	-	6,840
Total Liabilities	108,848	-	-	108,848
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax	136,663	273,335	-	409,998
Total Deferred Inflows of Resources	136,663	273,335	-	409,998
FUND BALANCES				
Restricted for:				
Emergency Reserve	16,300	-	-	16,300
Debt Service	-	7,356	-	7,356
Capital Projects	-	-	107,574	107,574
Assigned to:				
Subsequent Year's Expenditures	14,711	-	-	14,711
Unassigned	46,222	-	-	46,222
Total Fund Balances	77,233	7,356	107,574	192,163
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 322,744	$ 280,691	$ 107,574	
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.				
Capital Assets, Net of Depreciation				5,798,202
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.				
Loan Payable - Accrued Interest				(15,773)
Developer advances - Accrued Interest				(406,600)
Loan Payable - Accrued Interest				(3,711,933)
Developer Advance Payable				(6,307,005)
Net Position of Governmental Activities				$ (4,450,946)

See accompanying Notes to Basic Financial Statements.

CHAPEL HEIGHTS METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	General	Debt Service	Capital Projects	Total Governmental Funds
REVENUES				
Property Taxes	$ 150,293	$ 300,630	$ -	$ 450,923
Specific Ownership Taxes	14,416	28,836	-	43,252
Operations and Maintenance Fee	363,302	-	-	363,302
Interest Income	300	599	-	899
Other Revenue	1,195	-	-	1,195
Program Fees	100	-	-	100
Working Capital Fee	6,304	-	-	6,304
Late Fees/Penalties	7,373	-	-	7,373
Total Revenues	543,283	330,065	-	873,348
EXPENDITURES				
General Administration:				
Accounting	38,530	-	-	38,530
Auditing	6,325	-	-	6,325
County Treasurer's Fee	2,259	4,518	-	6,777
District Management	62,217	-	-	62,217
Dues and Membership	669	-	-	669
Election	3,572	-	-	3,572
Insurance	20,739	-	-	20,739
Legal	21,555	-	-	21,555
Miscellaneous	691	-	-	691
Website	1,681	-	-	1,681
Operations and Maintenance:				
Repairs and Maintenance	6,868	-	-	6,868
Operations And Maintenance - Landscaping	47,295	-	-	47,295
Operations And Maintenance - Utilities	51,939	-	-	51,939
Operations And Maintenance - Snow Removal	22,978	-	-	22,978
Operations And Maintenance - Covenant Enforcement	24,743	-	-	24,743
Operations And Maintenance - Billing Services	44,942	-	-	44,942
Operations And Maintenance - Security	2,971	-	-	2,971
Operations And Maintenance - Trash Collection	62,560	-	-	62,560
Community Center:				
Salary And Benefits - Management	124,947	-	-	124,947
Administration - Payroll Taxes	10,782	-	-	10,782
Administration - Office Supplies	1,900	-	-	1,900
Administration - Telephone	4,707	-	-	4,707
Administration - Travel/Transportation	1,418	-	-	1,418
Administration - Organization Dues	2,477	-	-	2,477
Administration - Insurance	2,860	-	-	2,860
Administration - Expense Allocation	25,900	-	-	25,900
Debt Service:				
Loan Interest		156,893	-	156,893
Loan Principal	-	169,111	-	169,111
Capital Projects:				
Capital Outlay	-	-	7,227,960	7,227,960
Total Expenditures	597,525	330,522	7,227,960	8,156,007
EXCESS OF REVENUES UNDER EXPENDITURES	(54,242)	(457)	(7,227,960)	(7,282,659)
OTHER FINANCING SOURCES (USES)				
Loan Issuance Proceeds	-	-	107,574	107,574
Repay Developer Advance	-	-	(2,445,751)	(2,445,751)
Developer Advance	223,751	-	7,227,960	7,451,711
Total Other Financing Sources	223,751	-	4,889,783	5,113,534
NET CHANGE IN FUND BALANCES	169,509	(457)	(2,338,177)	(2,169,125)
Fund Balances (Deficit) - Beginning of Year	(92,276)	7,813	2,445,751	2,361,288
FUND BALANCES - END OF YEAR	$ 77,233	$ 7,356	$ 107,574	$ 192,163

See accompanying Notes to Basic Financial Statements.

CHAPEL HEIGHTS 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	$ (2,169,125)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. In the statement of activities capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset. Therefore, this is the amount of capital outlay, depreciation and dedication of capital assets to other governments, in the current period.	
Capital Outlay	7,227,960
Depreciation Expense	(234,164)
Transfer of Public Improvements to Other Governments	(3,525,941)
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.	
Loan Issuance	(107,574)
Loan Principal	169,111
Developer Advance	(7,451,711)
Repay Developer Advance	2,445,751
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	(2,409)
Accrued Interest Payable Developer Advance - Change in Liability	(419,142)
Changes in Net Position of Governmental Activities	$ (4,067,244)

See accompanying Notes to Basic Financial Statements.

CHAPEL HEIGHTS METROPOLITAN DISTRICT
GENERAL FUND – STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
DECEMBER 31, 2025

	Budget		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Property Taxes	$ 150,413	$ 150,413	$ 150,293	$ (120)
Specific Ownership Taxes	15,041	14,306	14,416	110
Operations and Maintenance Fee	294,960	362,260	363,302	1,042
Interest Income	-	23	300	277
Working Capital Fee	-	3,000	6,304	3,304
Late Fees/Penalties	10,000	1,000	7,373	6,373
Program Fees	3,800	-	100	100
Other Revenue	-	-	1,195	1,195
Total Revenues	474,214	531,002	543,283	12,281
EXPENDITURES				
General Administration:				
Accounting	35,700	32,000	38,530	(6,530)
Auditing	-	7,000	6,325	675
County Treasurer's Fee	2,256	2,256	2,259	(3)
District Management	47,250	60,000	62,217	(2,217)
Dues and Membership	500	669	669	-
Election	-	3,546	3,572	(26)
Insurance	22,500	20,739	20,739	-
Legal	17,325	19,000	21,555	(2,555)
Contingency	9,492	15,570	-	15,570
Website	-	960	1,681	(721)
Operations and Maintenance:				-
Repairs and Maintenance	-	4,470	6,868	(2,398)
Landscaping	18,000	36,038	47,295	(11,257)
Utilities	25,000	77,760	51,939	25,821
Trash Collection	63,000	61,756	62,560	(804)
Snow Removal	45,000	37,700	22,978	14,722
Covenant Enforcement	14,000	15,686	24,743	(9,057)
Billing Services	36,750	36,682	44,942	(8,260)
Miscellaneous	-	-	691	(691)
Security	1,000	5,942	2,971	2,971
Community Center:				
Salary and Benefits - Management	119,160	119,159	124,947	(5,788)
Salary and Benefits - Front Desk	20,597	20,597	-	20,597
Payroll Taxes	11,142	11,142	10,782	360
Printing and Publication	200	200	-	200
Office Supplies	3,075	3,075	1,900	1,175
Contractual Services	250	250	-	250
Occupancy	6,550	6,550	-	6,550
Telephone	4,205	4,205	4,707	(502)
Meals, Lodging and Transportation	1,000	1,000	1,418	(418)
Organization Dues	2,690	2,690	2,477	213
Insurance	3,024	3,024	2,860	164
Expense Allocation	30,334	30,334	25,900	4,434
Total Expenditures	540,000	640,000	597,525	42,475
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(65,786)	(108,998)	(54,242)	54,756
OTHER FINANCING SOURCES				
Developer Advance	200,000	223,751	223,751	-
Total Other Financing Sources	200,000	223,751	223,751	-
NET CHANGE IN FUND BALANCE	134,214	114,753	169,509	54,756
Fund Balance (Deficit) - Beginning of Year	(69,150)	(92,276)	(92,276)	-
FUND BALANCE - END OF YEAR	$ 65,064	$ 22,477	$ 77,233	$ 54,756

See accompanying Notes to Basic Financial Statements.

NOTE 1 DEFINITION OF REPORTING ENTITY

Chapel Heights Metropolitan District (the District), a quasi-municipal corporation and political subdivision of the state of Colorado, was organized by order and decree of the District Court for the County of El Paso on May 21, 2020, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan approved by the City of Colorado Springs (the City), Colorado on July 2, 2019.

The District was established to finance and plan for, design, acquire, construct, install, relocate, redevelop, and finance the Public Improvements. The District shall dedicate the Public Improvements to the City or other appropriate jurisdiction or owners association in a manner consistent with the Approved Development Plan and other rules and regulations of the City and applicable provisions of the City Code.

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

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

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

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 outflow of resources, liabilities, and deferred inflow 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, operation fees, and working capital fees. 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 becomes 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 Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term 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 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.

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 inflow 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 assets and water rights, 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 are recorded as construction in progress and are not included in the calculation of net investment in capital assets.

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 capital assets, as applicable.

Depreciation expense has been computed using the straight-line method over the following estimated economic useful lives:

Parks and Recreation	40 Years
Streets	20 Years

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 Balance

Fund balance 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. The following classifications describe the relative strength of the spending constraints:

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (Continued)

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.

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	$	80,184
Cash and Investments - Restricted		128,932
Total Cash and Investments	$	209,116

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

Deposits with Financial Institutions	$	209,116
Total Cash and Investments	$	209,116

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 and a carrying balance of $209,116.

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.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

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

As of December 31, 2025, the District had no investments.

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:				
Water System	$ 493,782	$ 570,437	$ 1,064,219	$ -
Streets	446,769	5,235,115	5,681,884	-
Sanitary Sewer	288,153	525,823	813,976	-
Total Capital Assets, Not Being Depreciated	1,228,704	6,331,375	7,560,079	-
Capital Assets, Being Depreciated:				
Parks & Recreation	1,148,753	896,585	-	2,045,338
Street Lights	-	4,034,138	-	4,034,138
Total Capital Assets, Being Depreciated	1,148,753	4,930,723	-	6,079,476
Less Accumulated Depreciation for:				
Accumulated Depreciation - Parks & Rec	47,110	49,266	-	96,376
Accumulated Depreciation - Street Lights	-	184,898	-	184,898
Total Accumulated Depreciation	47,110	234,164	-	281,274
Total Capital Assets, Being Depreciated, Net	1,101,643	4,696,559	-	5,798,202
Governmental Activities Capital Assets, Net	$ 2,330,347	$ 11,027,934	$ 7,560,079	$ 5,798,202

During the year ended December 31, 2025, infrastructure assets were fully accepted by another government and were reported as transfer of public improvements to another government in the Statement of Activities. Amounts were also reclassified between capital assets, not being depreciated categories and all amounts with the exception of parks and recreation assets which will be transferred to another government once fully accepted.

Depreciation expense in the amount of $205,518 was charged to the general government function.

NOTE 5 LONG-TERM OBLIGATIONS

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

	Balance at December 31, 2024	Additions	Reductions	Balance at December 31, 2025	Due Within One Year
Loans from Direct Borrowings and Direct Placements:					
Series 2023 Note Payable	$ 3,773,470	$ 107,574	$ 169,111	$ 3,711,933	$ -
Subtotal Notes/Loans/Bonds from Direct Borrowings and Direct Placements	3,773,470	107,574	169,111	3,711,933	-
Other Debts:					
Developer Advance - Operating	176,988	223,751	-	400,739	-
Developer Advance - Capital	970,109	7,227,960	2,291,803	5,906,266	-
Accrued Interest on:					
Developer Advance - Operating	26,242	25,820	-	52,062	-
Developer Advance - Capital	115,164	393,322	153,948	354,538	-
Subtotal Other Debts	1,288,503	7,870,853	2,445,751	6,713,605	-
Total Long-Term Obligations	$ 5,061,973	$ 7,978,427	$ 2,614,862	$ 10,425,538	$ -

Limited Tax General Obligation Advancing Improvement Loan, Series 2023

On February 1, 2023, the District authorized the issuance of Limited Tax General Obligation Advancing Improvement Loan, Series 2023 (the Loan) in the aggregate principal amount of $5,000,000 with an interest rate of 4.25% calculated on the basis of a 360-day year of 12 30-day months. Interest and Principal on the Loan are payable on December 1, commencing on December 1, 2023. The principal and interest on the Loan are payable solely from and the extent of Pledged Revenues, which may or may not be sufficient to pay the principal and interest on the Loan. The Loan matures on December 1, 2042.

The Loan will be issued on a "drawdown" basis, so that advances of the purchase price of the Loan will be made by the Trustee in multiple installments in accordance with the terms and provisions of the Loan agreement. The initial drawdown amount on the closing date of February 1, 2023 was $1,630,000. The second drawdown occurred on December 13, 2024 in the amount of $2,456,365. The third drawdown occurred on December 15, 2025 in the amount of $107,574. The Loans are secured by and payable from the Pledged Revenue consisting of monies derived by the District from the following sources, net of any collection costs: (1) the Required Mill Levy, (2) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Required Mill Levy, and (3) any other legally available monies which the District determines, in its absolute discretion, to transfer to the Custodian for deposit into the Pledged Revenue Fund.

The District shall be authorized to finance the Public Improvements that can be funded from Debt to be repaid from tax revenue collected from a mill levy which shall not exceed the Maximum Debt Mill Levy in any District and which shall not exceed the Maximum Debt Mill Levy Imposition Term in Residential Districts as stipulated in the Service Plan.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax General Obligation Advancing Improvement Loan, Series 2023 (Continued)

Events of Default

The occurrence of any one or more of the following events or the existence of any one or more of the following conditions shall constitute an event of default under the Indenture:

i. the District fails or refuses to impose the Required Mill Levy;
ii. the District fails or refuses to transfer the Pledged Revenue to the Custodian pursuant to the terms and provisions of this Agreement and the Custodial Agreement;
iii. the occurrence and continuance of an event of default or an event of nonperformance under any of the other Financing Documents to which the District is a party after the expiration of any grace period;
iv. any representation or warranty made by the District in this Agreement or in any other Financing Document to which the District is a party or any certificate, instrument, financial or other statement furnished by the District to the Lender, proves to have been untrue or incomplete in any material respect when made or deemed made;
v. the District shall initiate, acquiesce or consent to any proceedings to dissolve the District or to consolidate the District with other similar entities into a single entity or the District shall otherwise cease to exist;
vi. a change occurs in the financial or operating conditions of the District, or the occurrence of any other event that will have a materially adverse impact on the ability of the District to generate Pledged Revenue sufficient to satisfy the District's obligations under this Agreement and the District fails to cure such condition within the time specified by the Lender in a written notice from the Lender informing the District of an occurrence under paragraph;

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax General Obligation Advancing Improvement Loan, Series 2023 (Continued)

Events of Default (Continued)

vii. the District shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it or seeking to adjudicate it insolvent or a bankrupt or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts; or (B) seeking appointment of a receiver, trustee, custodian or other similar official for itself or for any substantial part of its property, or the District shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against the District any case, proceeding or other action of a nature referred to in clause (i) above and the same shall remain undismissed; or (iii) there shall be commenced against the District any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its property which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal, within 60 days from the entry thereof; or (iv) the District shall take action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii) or (iii) above; or (v) the District shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due;

viii. this Agreement or any other Financing Document, or any material provision hereof or thereof, (i) ceases to be valid and binding on the District or is declared null and void, or the validity or enforceability thereof is contested by the District (unless being contested by the District in good faith), or the District denies it has any or further liability under any such Financing Document to which it is a party; or (ii) any pledge or security interest created hereunder fails to be fully enforceable with the priority required hereunder; or

ix. any funds or investments on deposit in, or otherwise to the credit of, any of the funds or accounts established hereunder shall become subject to any writ, judgment, warrant or attachment, execution or similar process and the same is not released or dismissed within ten (10) Business Days.

Remedies Upon Occurrence of Event of Default

Upon the occurrence and during the continuance of any Event of Default, the Lender may take any one or more of the following actions:

i. apply all amounts constituting Pledged Revenue to the unpaid principal of the 2023 Loan and all interest accrued and unpaid thereon in accordance with the terms of this Agreement;

ii. take any other action or remedy available under the other Financing Documents or any other document, or at law or in equity.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax General Obligation Advancing Improvement Loan, Series 2023 (Continued)

Remedies Upon Occurrence of Event of Default (Continued)

Notwithstanding anything to the contrary herein, acceleration shall not be a remedy for the occurrence or continuance of an Event of Default.

Notwithstanding any cure period described above, the District will immediately notify the Lender in writing when the District obtains knowledge of the occurrence of any Event of Default or any event which would, with the passage of time or the giving of notice, constitute an Event of Default.

As of December 31, 2025, the District was not in default.

The outstanding principal and interest due on the Loan are not currently determinable since the Loan is paid from cash flows when drawn down. Because of the uncertainty of the timing of the principal and interest payments on the Series 2023 Loan, no schedule of principal and interest payments is presented.

Developer Advances

The District has entered into Funding and Reimbursement Agreements with Challenger Communities, LLC (Developer) as follows:

Operations Funding and Reimbursement Agreement

On June 29, 2020, the District entered into an Operations Funding and Reimbursement Agreement to repay advances made by the Developer for operations and maintenance costs. The District agreed to repay the Developer for such operations and maintenance advances plus simple interest thereon to be accrued at the rate of 7%. As of December 31, 2025, outstanding advances under the agreement totaled $400,739 and accrued interest totaled $52,062.

Facilities Funding and Acquisition Agreement

On June 29, 2020, the District entered into a Facilities Funding and Acquisition Agreement to repay advances made by the Developer for capital infrastructure costs. The District agreed to repay the Developer for such capital advances plus simple interest thereon to be accrued at the rate of 7%. As of December 31, 2025, outstanding advances under the agreement totaled $5,906,266 and accrued interest totaled $354,538.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt

Pursuant to the Service Plan, the District is permitted to issue bond indebtedness of up to $20,000,000. 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 refunding of the debt authorized to be issued under the Service Plan.

The District has voter authorization in excess of the Service Plan Debt Issuance Limit as at the time of the election, the actual costs of construction were not known. Without knowing the costs of construction, it is not possible to allocate the Service Plan Debt Issuance Limit by power (such as water, sewer or streets). Therefore, the Service Plan Debt Issuance Limit was voted in every power relative to debt for public improvements. With that understanding, on a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed $20,000,000 at an interest rate not to exceed 18% per annum. The District is also limited to a maximum debt service mill levy of 30 mills, as adjusted for changes in the ratio of actual assessed value of property within the District, pursuant to the Service Plan. At December 31, 2025, the District had authorized but unissued indebtedness of $15,806,061.

NOTE 6 NET POSITION

The District has net position consisting of three components – net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2025, the District had net investment in capital assets calculated as follows:

	Governmental Activities
Net Investment in Capital Assets:	
Capital Assets, Net of Depreciation	$ 5,798,202
Noncurrent Portion of Long-Term Obligations	(5,516,928)
Net Investment in Capital Assets	$ 281,274

NOTE 6 NET POSITION (CONTINUED)

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

	Governmental Activities
Restricted Net Position:	
Emergencies	$ 16,300
Capital Projects Reserve	107,574
Total Restricted Net Position	$ 123,874

The District has a deficit in unrestricted net position. The deficit was a result of the District being responsible for the repayment of loans issued for public improvements.

NOTE 7 ECONOMIC DEPENDENCY

The District has not yet established a revenue base sufficient to pay operational expenditures. Until an independent revenue base is established, continuation of operations in the District will be dependent upon funding by the Developer.

NOTE 8 AGREEMENTS

Management and Service Agreement

On August 29, 2022, the District entered into a Management and Service Agreement (Agreement) with YMCA of Pikes Peak Region (YMCA). The District currently owns the community center (Facility) located within the District's boundaries and desires to engage the YMCA to provide management and operation services with respect to the Facility. The YMCA will provide services to the District as described in the agreement with respect to the operation of the Facility. The YMCA will provide the District with an invoice 30 days prior to the payment due date, which shall be the 15th of each month. The YMCA and the District will reconcile budgets at year-end. Within sixty (60) days of year-end, the YMCA will refund any positive variance to the District; likewise, the District will reimburse the YMCA for any negative variance.

This Agreement allows the contract to be automatically renewed for additional one (1) year periods unless either party provides written notice to the other party at least sixty (60) days prior to December 31 of the then effective term. The agreement was automatically renewed through December 31, 2023 and 2024, and then was amended on April 18, 2024, with a term expiring December 31, 2024, unless further extended in writing by the parties.

This Agreement was further amended on November 4, 2024 in order to extend the term of the Agreement and to replace in its entirety the fee schedule to be taken effect on January 1, 2025 and will terminate on December 31, 2025, unless further extended in writing by both parties. This agreement was terminated effective April 30, 2026.

NOTE 8 AGREEMENTS (CONTINUED)

Management and Service Agreement (Continued)

On May 1, 2026, the District entered into a Management and Service Agreement (Agreement) with Modest Management, LLC (Modest Management) that will take over all management and operation services that the YMCA provide previously. Modest Management will provide services to the District as described in the agreement with respect to the operation of the Facility. This Agreement will become effective on the date this Agreement is signed by the parties and remains in full force and effect until December 31, 2026, and shall be automatically renewed for additional one year periods unless either party provides written notice to the other party at least 60 days prior to December 31 of the then effective term.

NOTE 9 RELATED PARTIES

Some members of the Board of Directors are officers, employees, or associated with the Developer of the property within the District and may have conflicts of interest in dealing with the District. See Note 5 concerning advances made by the Developer. Any potential conflicts have been filed in accordance with Colorado Law.

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.

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

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.

On May 5, 2020, the District voters passed an election question to increase property taxes $10,000,000 annually as adjusted for inflation, without limitation of rate, to pay the District's operations, maintenance, and other expenses. Additionally, the District's electors authorized the District to collect, retain, and spend all revenue without regard to any limitations under TABOR.

On May 5, 2020, the District voters passed an election question to increase property taxes $10,000,000 annually as adjusted for inflation, without limitation of rate, to pay the District's administration, covenant enforcement, design review, and operations and maintenance fees. Additionally, the District's electors authorized the District to collect, retain, and spend all revenue without regard to any limitations under TABOR.

On May 5, 2020, the District voters passed an election question to increase property taxes $10,000,000 annually as adjusted for inflation, without limitation of rate, to fund the District's capital costs and other obligations authorized by the Service Plan. Additionally, the District's electors authorized the District to collect, retain, and spend all revenue without regard to any limitations under TABOR.

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

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

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.

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

CHAPEL HEIGHTS METROPOLITAN DISTRICT
DEBT SERVICE 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				
Property Taxes	$ 300,827	$ 300,630	$ 300,630	$ -
Specific Ownership Taxes	15,041	28,836	28,836	-
Interest Income	383	599	599	-
Total Revenues	316,251	330,065	330,065	-
EXPENDITURES				
County Treasurer's Fee	4,512	4,518	4,518	-
Loan Interest	173,400	156,893	156,893	-
Loan Principal	140,000	169,111	169,111	-
Contingency	4,088	4,478	-	4,478
Total Expenditures	322,000	335,000	330,522	4,478
NET CHANGE IN FUND BALANCE	(5,749)	(4,935)	(457)	4,478
Fund Balance - Beginning of Year	5,749	7,813	7,813	-
FUND BALANCE - END OF YEAR	$ -	$ 2,878	$ 7,356	$ 4,478

CHAPEL HEIGHTS METROPOLITAN DISTRICT
CAPITAL PROJECT 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			
Loan Issuance Proceeds	$ 920,000	$ 107,574	$ (812,426)
Total Revenues	920,000	107,574	(812,426)
EXPENDITURES			
Accounting	3,200	-	3,200
Engineering	7,000	-	7,000
Capital Outlay	7,227,960	7,227,960	-
Total Expenditures	7,238,160	7,227,960	10,200
EXCESS OF REVENUES UNDER EXPENDITURES	(6,318,160)	(7,120,386)	(802,226)
OTHER FINANCING SOURCES (USES)			
Developer Advance	7,227,960	7,227,960	-
Repay Developer Advance	(3,366,165)	(2,445,751)	920,414
Total Other Financing Sources	3,861,795	4,782,209	920,414
NET CHANGE IN FUND BALANCE	(2,456,365)	(2,338,177)	118,188
Fund Balance - Beginning of Year	2,456,365	2,445,751	(10,614)
FUND BALANCE - END OF YEAR	$ -	$ 107,574	$ 107,574

OTHER INFORMATION

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

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Total Mills Levied		Total Property Taxes		Percent Collected to Levied
		General Operations	Debt Service	Levied	Collected	
2021	$ 1,321,960	16.699	33.398	$ 66,226	$ 66,226	100.00 %
2022	919,900	16.699	33.398	46,084	46,084	100.00
2023	3,305,880	15.431	30.863	153,042	153,042	100.00
2024	6,229,140	18.463	36.927	345,032	345,032	100.00
2025	8,318,870	18.081	36.162	451,240	450,923	99.93
Estimated for Year Ending December 31, 2026	$ 8,542,510	15.998	31.997	$ 409,998		

NOTE: Property taxes shown as collected in any one year include collection of delinquent property taxes or of property taxes assessed in prior years. This presentation does not attempt to identify specific years of assessment.

Source: El Paso County Assessor and Treasurer.