

**El Paso County Special Districts
Annual Report and Disclosure Form**

1. Name of the District	Falcon Highlands Metropolitan District
2. Report for Calendar Year	2025
3. Contact Information	<p>Korben Heim 121 South Tejon Street, Suite 1100 Colorado Springs, CO 80903 719-635-0330 Korben.Heim@claconnect.com</p> <p>Website: www.falconhighlandsmetro.com</p> <p>Note: District water office is located at 7464 Antelope Meadows Circle Peyton, CO 80831.</p>
4. Meeting Information	<p>The District meets on the second Monday of every month at 5:30 p.m. at the Falcon Fire Department Community Room, 7020 Old Meridian Road, Peyton, CO 80831. Additional information can be found at: www.falconhighlandsmetro.com.</p>
5. Type of District / Unique Representational Issues (if any)	<p>The District is a single conventional Title 32 Special Metropolitan District. All property owners within the boundaries of this District who are otherwise eligible as electors within the State of Colorado have the opportunity to fully participate in future elections of the District and are eligible to run for District positions when these positions become open.</p>
6. Authorized Purposes of the District	<p>The Service Plan authorizes all allowable purposes for Title 32 Special Districts except for fire protection. For additional details, please contact the District Manager at 719-635-0330.</p>
7. Active Purposes of the District(s)	<p>The primary purpose of the District is to provide water, maintain the District owned infrastructure, and provide services allowable in the District's Service Plan as necessary for the better of the community.</p>

	For additional details, please contact the District Manager at 719-635-0330.
8. Current Certified Mill Levies a. Debt Service b. Operational c. Other – Refund & Abatements d. Total	a. 32.695 mills b. 5.449 mills c. 0.000 mills d. 38.144 mills
9. Sample Calculation of Current Mill Levy for a Residential and Commercial Property (as applicable).	Residential Property: Assumptions: \$250,000 is the market value Calculation at Current Mill Levy of 38.144 $\$250,000 \times .067 = \$16,750$ (Assessed Valuation) $\$16,750 / 1000 \times 38.144 \text{ mills} = \638 per year in taxes owed solely to the Special District Commercial Property: Assumptions: \$500,000 is the market value Calculation at Current Mill Levy of 38.144 $\$500,000 \times 0.279 = \$139,500$ (Assessed Valuation) $\$139,500 / 1000 \times 38.144 \text{ mills} = \$5,321$ per year in taxes owed solely to the Special District.
10. Maximum Authorized Mill Levy Caps (Note: these are maximum allowable mill levies which could be certified in the future unless there was a change in state statutes or Board of County Commissioners approvals)	

<ul style="list-style-type: none"> a. Debt Service b. Operational c. Other d. Total 	<ul style="list-style-type: none"> a. 32.695 mills, as adjusted b. 5.449 mills, as adjusted c. 0.000 mills, as adjusted d. 38.144 mills, as adjusted
<p>11. Sample Calculation of Mill Levy Cap for a Residential and Commercial Property (as applicable).</p>	<p>Residential Property: Assumptions: \$250,000 is the market value Mill levy cap is 38.144 mills, as adjusted Calculation at Mill Levy Cap of 38.144 $\\$250,000 \times .067 = \\$16,750$ (Assessed Valuation) $\\$16,750 / 1000 \times 38.144 \text{ mills} = \\638 per year in taxes owed solely to the Special District</p> <p>Commercial Property: Assumptions: \$500,000 is the market value Mill levy cap is 38.144 mills Calculation at Mill Levy Cap of 38.144 $\\$500,000 \times 0.279 = \\$139,500$ (Assessed Valuation) $\\$139,500 / 1000 \times 38.132 \text{ mills} = \\$5,319$ per year in taxes owed solely to the Special District.</p>
<p>12. Current Outstanding Debt of the District (as of the end of year of this report)</p>	<p>General Obligation Limited Tax Senior Bonds Series 2022 - \$5,555,000 General Obligation Limited Tax Subordinate Bonds Series 2007 - \$4,935,000</p>
<p>13. Total voter-authorized debt of the District (including current debt)</p>	<p>At formation, \$40,750,000 in debt was voter authorized by the District. Some or all of this money may be issued by an affirmative vote of the Board of Directors</p>

	in the future without the necessity of a District-wide vote.
14. Debt proposed to be issued, reissued or otherwise obligated in the coming year.	None
15. Major facilities/ infrastructure improvements initiated or completed in the prior year	There was no new construction in 2025.
16. Summary of major property exclusion or inclusion activities in the past year.	In 2025, the District did not have boundary changes.
The following information is provided pursuant to the annual report requirements in § 32-1-207(3)(c), C.R.S.	
17. Boundary changes made.	See Section 16.
18. Intergovernmental agreements entered into or terminated with other governmental entities.	On January 21, 2025, the District entered into a Subrecipient Agreement with El Paso County through which the County will grant one million dollars in funding through the American Rescue Plan Act to facilitate repairs of the underdrain system and to allow for its ongoing maintenance.
19. Access information to obtain a copy of the rules and regulations adopted by the board.	For a copy of the rules and regulations adopted by the Board, if any, contact its legal counsel: Seter, Vander Wall & Mielke, P.C. 7400 E Orchard Rd., Suite 3300 Greenwood, CO, 303.770.2700 svw@svwpc.com
20. A summary of litigation involving public improvements owned by the special district.	As of December 31, 2025 there was no litigation involving public improvements owned by the District.
21. The status of the construction of public improvements by the special district.	There were no public improvements constructed during 2025.
22. A list of the facilities or improvements constructed by the special district that were conveyed or dedicated to the county or municipality.	There were no facilities or improvements conveyed or dedicated to El Paso County during 2025.

<p>23. The final assessed valuation of the special district as of December 31 of the reporting year.</p>	<p>The District has received a certification of valuation from El Paso County that reports a taxable assessed valuation for the District for 2025 of \$30,118,800, for collection in 2026. The District certified a mill levy of 38.144 mills to be assessed against the properties within the District.</p>
<p>24. A copy of the current year's budget.</p>	<p>The 2026 Budget is attached as Exhibit A.</p>
<p>25. A copy of the audited financial statements, if required by the "Colorado Local Government Audit Law," part 6 of article 1 of title 29, or the application for exemption from audit, as applicable.</p>	<p>The 2025 Audit will be provided upon completion.</p>
<p>26. Notice of any uncured defaults existing for more than ninety days under any debt instrument of the special district.</p>	<p>None.</p>
<p>27. Any inability of the special district to pay its obligations as they come due under any obligation which continues beyond a ninety-day period.</p>	<p>None.</p>

EXHIBIT A
2026 Budget