

ANNUAL REPORT

As required by Section VI of the Amended and Restated Service Plan of the Independence Metropolitan District No. 1 (the “District”), approved by the Elbert County Board of County Commissioners on September 7, 2017, and Section 32-1-207(3)(c), C.R.S., the following report is hereby submitted.

Name of the District	Independence Metropolitan District No. 1
Report for Calendar Year	2025
(i) Description of Services Provided by the District	The District is a Title 32 Special District that was established on January 16, 2018. The District is authorized to acquire, construct, finance, and maintain public improvements for the use and benefit of property owners, residents, taxpayers, and system users within and without the Independence residential development located in Northwest Elbert County.
(ii) Financial Status of the District	The District remains financially stable and continues to meet its financial obligations. Additional financial information is contained in the attached 2026 Budget and the District's 2025 Audit, which will be submitted upon completion.
(iii) Current Mill Levy	The current assessed valuation of the District is \$12,512,380 and the District's mill levy has been certified at 75.971 mills for the current tax year. The source of operating funds in 2025 was from an operations mill levy of 12.705 mills, with a temporary mil levy rate reduction of 6.614 mills.
(iv) Board of Directors	The Metropolitan District is governed by a five (5) person, publicly elected, Board of Directors currently consisting of the following persons: • Jim Yates – Term Expires May 2029 • Melanie Sprague – Term Expires May 2029 • Leigha Jerothe – Term Expires May 2029 • Nate Treusch – Term Expires May 2027 • Caleb Scott – Term Expires May 2027
(v) Times and Locations for Board Meetings	The Board has determined that a regular meeting will be held on November 19, 2026. Regular and special meeting notices shall be posted on the District's website at least twenty-four (24) hours prior to said meeting.
(vi) District's Principal Place of Business	The District's business office address is c/o Public Alliance, 7555 E. Hampden Avenue, Suite 501, Denver, CO 80231.
(vii) Location of Public Notice Postings	The location for official District notices is the District's website at https://www.independencemd1-6.org/ . In the event the website is not available, the

	designated physical location for posting is Corner of E. Witherspoon Drive and Hancock Parkway within the District boundaries.
(viii) 2025 Election Results	Directors Yates, Sprague, and Jerothe were elected to four (4) year terms in the District's May 2025 election.
(ix) Upcoming Elections	The next scheduled District election will take place May 4, 2027.
(x) Board Members Whose Terms are Expiring	In May 2027, the terms of Directors Scott and Treusch are scheduled to expire.
(xi) Website Where Election Results are Posted	Election results are posted to the District's website and the Division of Local Government (https://dola.colorado.gov/dlg_lgis_ui_publicTerms.jsf)
(xii) Procedure and Filing Schedule for Nominations for Board Positions	Per C.R.S. 1-13.5-303, self-nomination forms to be a candidate for the office of a special district director shall be obtained from and should be returned to the designated election official. Self-nomination forms for the regular special district election must be received by the designated election official no earlier than January 1 and no later than the normal close of business on the sixty-seventh day before the election.
(xiii) District Boundary Changes	There were no changes to the boundaries of the District in 2025.
(xiv) Significant Policy Changes	There have been no significant changes proposed or made to policies of the District in 2025
(xv) Intergovernmental Agreements	The District did not enter into or terminate any Intergovernmental Agreements in 2025.
(xvi) Compliance with Applicable Laws and Regulations	The District is compliant with all applicable laws and regulations.
(xvii) District Website	The District's website address is https://www.independencemd1-6.org/ .
(xviii) Access to Rules and Regulations	Copies of any rules and regulations adopted by the Board may be found on the District's website at https://www.independencemd1-6.org/rules-regulations .
(xix) Litigation Involving Public Improvements	The District is not aware of any litigation involving public improvements.
(xx) Status of Construction of Public Improvements	No public improvements were constructed or proposed to the District during the reporting year.
(xxi) Facilities or Improvements Conveyed or Dedicated	No facilities or improvements were conveyed or dedicated to the Town during the reporting year.
(xxii) Uncured Defaults	To the District's knowledge, there are no uncured events of default by the District which continue beyond a ninety (90) day period.
(xxiii) Ability to Pay Obligations	To the District's knowledge, the District has been able to pay its obligations as they come

	due.
--	------

Copies of the following District documents are attached to this report:

- 2026 Budget
- 2025 Final Assessed Valuation
- 2026 Certification of Tax Levies
- 2025 Audit

Please direct any questions regarding the District or this report to the District's Manager, Ryan Stevens, at ryan@publicalliancecellc.com or 720-213-6621.

EXHIBIT A
2026 Budget

INDEPENDENCE METROPOLITAN DISTRICT NO. 1

January 21, 2026

Division of Local Government
Via: E-Filing Portal

RE: Independence Metropolitan District No. 1
LG ID #66870

Attached is the 2026 Budget for the Independence Metropolitan District No. 1 in Elbert County, Colorado, submitted pursuant to Section 29-1-116, C.R.S. This Budget was adopted on November 20, 2025. If there are any questions on the budget, please contact Mr. Eric Weaver, telephone number 970-926-6060 Ext. 6.

The mill levy certified to the County Commissioners of Elbert County is 12.705 mills for all general operating purposes, subject to statutory and/or TABOR limitations; 0.000 mills for G.O. bonds; 69.880 mills for contractual obligations; 0.000 mills for refund/abatement; and (6.614) mills for Temporary Tax Credit/Mill Levy Reduction. Based on an assessed valuation of \$12,512,380 the total property tax revenue is \$950,577.79. A copy of the certification of mill levies sent to the County Commissioners for Elbert County is enclosed.

I hereby certify that the enclosed is a true and accurate copy of the budget and certification of tax levies to the Board of County Commissioners of Elbert County, Colorado.

Sincerely,



Eric Weaver
District Accountant

Enclosure(s)

Financial Management Provided By Marchetti & Weaver, LLC

Mountain Office
28 Second Street, Suite 213
Edwards, CO 81632
(970) 926-6060

Website & Email
www.mwcpaa.com
Admin@mwcpaa.com

Front Range Office
245 Century Circle, Suite 103
Louisville, CO 80027
(720) 210-9136

INDEPENDENCE METROPOLITAN DISTRICT NO. 1
RESOLUTION TO ADOPT 2026 BUDGET

WHEREAS, the Board of Directors (“**Board**”) of the Independence Metropolitan District No. 1 (“**District**”) has appointed a budget committee to prepare and submit a proposed 2026 budget to the Board at the proper time; and

WHEREAS, such budget committee has submitted the proposed budget to the Board for its consideration; and

WHEREAS, upon due and proper notice, posted in accordance with law, the budget was open for inspection by the public at a designated place, and a public hearing was held on November 20, 2025, and interested electors were given the opportunity to file or register any objections to the budget; and

WHEREAS, the budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, enterprise, reserve transfer and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution (“**TABOR**”) and other laws or obligations which are applicable to or binding upon the District; and

WHEREAS, in order to affect a refund of excess property tax and/or other general revenue for the 2025 fiscal year(s) for any of the purposes set forth in TABOR, the Board has determined that a temporary property tax credit and mill levy rate reduction as set forth in the budget should be approved and certified to the County in accordance with the provisions of Section 39-1-111.5, C.R.S.; and

WHEREAS, whatever decreases may have been made in the revenues, like decreases were made to the expenditures so that the budget remains in balance, as required by law.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Independence Metropolitan District No. 1:

1. That estimated expenditures for each fund are as follows:

General Fund:	\$	113,786
Debt Service Fund:	\$	1,013,661
Total	\$	1,127,447

2. That estimated revenues are as follows:

General Fund:

From unappropriated surpluses	\$(1,953)
From fund transfers	\$0
From sources other than general property tax	\$39,526
From general property tax	\$76,213
Total	\$113,786

Debt Service Fund:

From unappropriated surpluses	\$0
From fund transfers	\$0
From sources other than general property tax	\$139,296
From general property tax	\$874,365
Total	\$1,013,661

3. That the budget, as submitted, amended and herein summarized by fund, including, but not limited to, any temporary property tax credit and mill levy rate reduction, be, and the same hereby is, approved and adopted as the budget of the District for the 2026 fiscal year.

4. That the budget, as hereby approved and adopted, shall be certified by the Treasurer and/or President of the District to all appropriate agencies and is made a part of the public records of the District.

TO SET MILL LEVIES

WHEREAS, the amount of money from property taxes necessary to balance the budget for general operating expenses is \$76,212.79; and

WHEREAS, the amount of money from property taxes necessary to balance the budget for contractual obligations is \$874,365.00; and

WHEREAS, the 2025 valuation for assessment of the District, as certified by the County Assessor, is \$12,512,380.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Independence Metropolitan District No. 1:

1. That for the purpose of meeting all general operating expenses of the District during the 2026 budget year (after accounting for a temporary mill levy reduction of 6.614 mills), there is hereby levied a property tax, inclusive of the mill levy for refunds and abatements, of 6.091 mills upon each dollar of the total valuation for assessment of all taxable property within the District to raise \$76,212.79.

2. That for the purpose of meeting all payments for contractual obligations of the District during the 2026 budget year, there is hereby levied a property tax of 69.880 mills upon each dollar of the total valuation for assessment of all taxable property within the District to raise \$874,365.00.

3. That the Treasurer and/or President of the District is hereby authorized and directed to immediately certify to the County Commissioners of Elbert County, Colorado, the mill levies for the District as hereinabove determined and set, or as adjusted, if necessary, upon receipt of the final (December) certification of valuation from the county assessor in order to comply with any applicable revenue and other budgetary limits.

APPROPRIATE SUMS OF MONEY

WHEREAS, the Board has made provision in the budget for revenues in an amount equal to the total proposed expenditures as set forth therein; and

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, as more fully set forth in the budget, including any inter-fund transfers listed therein, so as not to impair the operations of the District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Independence Metropolitan District No. 1 that the following sums are hereby appropriated from the revenues of each fund, to each fund, for the purposes stated in the budget:

General Fund:	\$	113,786
Debt Service Fund:	\$	1,013,661
Total	\$	1,127,447

Adopted this 20th day of November, 2025.

INDEPENDENCE METROPOLITAN
DISTRICT NO. 1

Signed by:
By: Tim Craft
5DDC16C1FEAA464...

ATTEST:

Signed by:
Jim Yates
91EFBCD306F8403...
Secretary

INDEPENDENCE METROPOLITAN DISTRICT NO. 1

2026

BUDGET MESSAGE

Independence Metropolitan Districts Nos. 1-6, Commercial Metropolitan District, Overlay Metropolitan District, and Water & Sanitation District are quasi-municipal corporations organized and operated pursuant to provisions set forth in the Colorado Special District Act. The Districts were formed with the primary purposes to finance construction of public improvements as defined in the Service Plan and to operate and maintain such public improvements that are not otherwise dedicated or conveyed to other governmental entities.

The Water & Sanitation District is responsible for constructing and operating water and sewer facilities for the community. District No. 3 is responsible for construction of other improvements within the community with funding for debt service on bonds issued by the District to be provided by the District as well as taxes and system development fees from Districts 1, 2, 4, 5, 6, & Commercial. The Overlay District is responsible for providing community-wide services including but not limited to community center and swimming pool operations, landscaping, design review, covenant control, snow removal, trash and recycling, and other services.

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

The following budget is prepared using the modified accrual basis of accounting.

BUDGET STRATEGY

The District's strategy in preparing the 2026 budget is to strive to provide the scope of services defined in the service plan in the most economic manner possible.

REVENUE

The District certified a net of 6.091 mills for operations (10.000 mills adjusted for legislative changes to 12.705 mills, net of a 6.614 mill temporary reduction for the 5.25% revenue growth limitation) as well as 69.880 mills for contractual obligations (55 mills adjusted for legislative changes). Any shortfalls in funding for operations are anticipated to be funded by developer advances.

EXPENDITURES

The District budgeted for administrative and limited operational expenditures to be accounted for in the General Fund. In the Debt Service Fund, the District has budgeted for treasurer's fees, with all other remaining available funds being transferred to District No. 3 to be used towards bond debt service payments.

Independence Metropolitan District No. 1

Statement of Net Position

September 30, 2025

	Fixed Assets &			
	General Fund	Debt Service Fund	LTD	Total
ASSETS				
CASH				
KeyBank Checking	68,153			68,153
Pooled Cash	-	-		-
TOTAL CASH	68,153	-	-	68,153
OTHER CURRENT ASSETS				
Due From County Treasurer	-	-		-
Property Tax Receivable	531	7,305		7,836
Prepaid Expense	-			-
TOTAL OTHER CURRENT ASSETS	531	7,305	-	7,836
FIXED ASSETS				
Construction in Progress			-	-
TOTAL FIXED ASSETS	-	-	-	-
TOTAL ASSETS	68,684	7,305	-	75,989
LIABILITIES & DEFERED INFLOWS				
CURRENT LIABILITIES				
Accounts Payable	-			-
TOTAL CURRENT LIABILITIES	-	-	-	-
DEFERRED INFLOWS				
Deferred Property Taxes	531	7,305		7,836
TOTAL DEFERRED INFLOWS	531	7,305	-	7,836
LONG-TERM LIABILITIES				
Developer Payable- Operations			-	-
Accrued Int- Developer Payable- Ops			-	-
TOTAL LONG-TERM LIABILITIES	-	-	-	-
TOTAL LIAB & DEF INFLOWS	531	7,305	-	7,836
NET POSITION				
Inv in Capital Assets				-
Amount to be Provided for Debt			-	-
Fund Balance- Non-Spendable	-			-
Fund Balance- Restricted	2,036	-		2,036
Fund Balance- Unassigned	66,118			66,118
TOTAL NET POSITION	68,153	-	-	68,153
	=	=	=	=

	2024 Audited Actual	2025 Adopted Budget	2025 Amended Budget	2025 Forecast	YTD Thru 09/30/25 Actual	YTD Thru 09/30/25 Budget	Variance Positive (Negative)	2026 Adopted Budget	Budget Notes/Assumptions
PROPERTY TAXES									
Assessed Valuation	12,375,217	12,931,910	12,931,910	12,931,910				12,512,380	Final AV
Mill Levy - Operations	10.000	10.000	10.000	10.000				12.705	10 Mills Adjusted
Mill Levy - Operations Temporary Reduction	(5.060)	(6.000)	(6.000)	(6.000)				(6.614)	Required Reduction For Revenue Limit Cap
Mill Levy - Debt Service Fund	55.055	55.055	55.055	55.055				69.880	55 Mills Adjusted
Total Mill Levy	59.995	59.055	59.055	59.055				75.971	Total of 65 Mills Adjusted, Net of Temp Credit
Property Tax Revenue - Operations	61,134	51,728	51,728	51,728				76,213	10 Mills Adjusted, Net of Temp Credit
Property Tax Revenue - Debt Service Fund	681,318	711,966	711,966	711,966				874,365	55 Mills Adjusted
Total Property Taxes	742,451	763,694	763,694	763,694				950,578	Total of 65 Mills Adjusted, Net of Temp Credit

Independence Metropolitan District No. 1
Statement of Revenues, Expenditures, & Changes In Fund Balance
Modified Accrual Basis For the Period Indicated

Print Date: 12/5/25

	2024 Audited Actual	2025 Adopted Budget	2025 Amended Budget	2025 Forecast	YTD Thru 09/30/25 Actual	YTD Thru 09/30/25 Budget	Variance Positive (Negative)	2026 Adopted Budget	Budget Notes/Assumptions
COMBINED FUNDS									
REVENUE									
Property Taxes	748,603	763,694	763,694	763,694	755,858	763,694	(7,836)	950,578	Total of 65 Mills Adjusted, Net of Temp Credit
Specific Ownership Taxes	99,406	46,284	95,462	95,462	72,191	30,856	41,335	118,822	12.5% of Property Taxes
Transfer from Other Districts	55,244	-	-	-	-	-	-	-	-
System Development Fees	76,199	-	-	-	-	-	-	-	None Anticipated
Interest & Other Income	636	200	30,000	325	255	150	105	30,000	To Offset Contingency
TOTAL REVENUE	980,088	810,178	889,156	859,481	828,305	794,700	33,605	1,099,400	
EXPENDITURES									
Administration									
Accounting	-	-	10,000	10,000	-	-	-	25,000	M&W Estimate
Audit	-	10,000	10,000	10,000	10,000	10,000	-	10,300	Per Engagement Letter
District Management	9,234	8,000	12,000	12,000	9,657	6,000	(3,657)	14,000	Based on 2025 Forecast
Legal	1,526	6,000	8,000	8,000	5,650	4,500	(1,150)	9,000	Based on 2025 Forecast
Maintenance	-	-	15,000	15,000	13,220	-	(13,220)	15,000	Based on 2025 Forecast
Treasurer's Fees	22,477	22,911	22,911	22,911	22,683	22,911	227	28,517	3% of Property Taxes
Election	-	2,000	2,000	881	881	2,000	1,119	500	Prep Work for 2027 Election
Insurance, Bonds & SDA Dues	3,368	4,500	4,500	3,478	3,478	4,500	1,022	4,700	Based on 2025 Forecast
Website & Miscellaneous Other	3,098	2,500	7,000	6,940	6,475	1,875	(4,600)	8,000	Based on 2025 Forecast
Contingency	-	20,000	25,000	-	-	15,000	15,000	25,000	Unforeseen Needs
Debt Service									
Debt Service Transfer to District No. 3	828,591	733,987	779,603	779,903	750,929	719,544	(31,385)	957,430	Transfer to District No. 3
Contingency	-	-	30,000	-	-	-	-	30,000	Unforeseen Needs
TOTAL EXPENDITURES	868,294	809,898	926,014	869,113	822,973	786,330	(36,644)	1,127,447	
REVENUE OVER / (UNDER) EXPENDITURES	111,795	280	(36,858)	(9,632)	5,331	8,370	(3,039)	(28,047)	
OTHER SOURCES / (USES)									
Developer Advances	-	-	-	-	-	-	-	30,000	To Cover Shortfall
Developer Advance Repayments	(55,244)	-	-	-	-	-	-	-	No Funds Available
TOTAL OTHER SOURCES / (USES)	(55,244)	-	-	-	-	-	-	30,000	
CHANGE IN FUND BALANCE	56,551	280	(36,858)	(9,632)	5,331	8,370	(3,039)	1,953	
BEGINNING FUND BALANCE	6,271	63,909	62,822	62,822	62,822	63,909	(1,087)	53,190	
ENDING FUND BALANCE	62,822	64,189	25,964	53,190	68,153	72,279	(4,126)	55,143	
COMPONENTS OF FUND BALANCE									
Non-Spendable	2,771	-	4,700	4,700	-	-	-	4,935	
TABOR Emergency Reserve	-	-	2,852	2,036	2,036	-	-	3,472	
Restricted For Debt Service	-	-	-	-	-	-	-	-	
Unassigned	60,051	64,189	18,412	46,454	66,118	-	-	46,736	
TOTAL ENDING FUND BALANCE	62,822	64,189	25,964	53,190	68,153			55,143	
	=	=	=	=	=			=	

No assurance is provided on these financial statements;
substantially all disclosures required by GAAP omitted.

Independence Metropolitan District No. 1
Statement of Revenues, Expenditures, & Changes In Fund Balance
Modified Accrual Basis For the Period Indicated

Print Date: 12/5/25

	2024 Audited Actual	2025 Adopted Budget	2025 Amended Budget	2025 Forecast	YTD Thru 09/30/25 Actual	YTD Thru 09/30/25 Budget	Variance Positive (Negative)	2026 Adopted Budget	Budget Notes/Assumptions
GENERAL FUND									
REVENUE									
Property Taxes- Operations	67,286	51,728	51,728	51,728	51,197	51,728	(531)	76,213	10 Mills Adjusted
Specific Ownership Taxes	8,459	3,104	6,466	6,466	5,014	2,069	2,945	9,527	12.5% of Property Taxes
Transfer from District No. 3	55,244	-	-	-	-	-	-	-	
Interest Income	52	-	-	25	17	-	17	-	
Miscellaneous Income	-	-	-	-	-	-	-	-	
TOTAL REVENUE	131,040	54,832	58,194	58,219	56,228	53,797	2,431	85,740	
EXPENDITURES									
Administration									
Accounting	-	-	10,000	10,000	-	-	-	25,000	M&W Estimate
Audit	-	10,000	10,000	10,000	10,000	10,000	-	10,300	Per Engagement Letter
District Management	9,234	8,000	12,000	12,000	9,657	6,000	(3,657)	14,000	Based on 2025 Forecast
Legal	1,526	6,000	8,000	8,000	5,650	4,500	(1,150)	9,000	Based on 2025 Forecast
Office Supplies, Bill.com Fees, Other	2,238	1,000	5,500	5,500	5,395	750	(4,645)	6,500	Based on 2025 Forecast
Treasurer's Fees	2,020	1,552	1,552	1,552	1,536	1,552	15	2,286	3% of Property Taxes
Election	-	2,000	2,000	881	881	2,000	1,119	500	Prep Work for 2027 Election
Insurance, Bonds & SDA Dues	3,368	4,500	4,500	3,478	3,478	4,500	1,022	4,700	Based on 2025 Forecast
Website	860	1,500	1,500	1,440	1,080	1,125	45	1,500	Based on 2025 Forecast
Maintenance	-	-	15,000	15,000	13,220	-	(13,220)	15,000	Based on 2025 Forecast
Contingency /Emergencies		20,000	25,000	-		15,000	15,000	25,000	Unforeseen Needs
TOTAL EXPENDITURES	19,246	54,552	95,052	67,851	50,897	45,427	(5,470)	113,786	
REVENUE OVER / (UNDER) EXPENDITURES	111,795	280	(36,858)	(9,632)	5,331	8,370	(3,039)	(28,047)	
OTHER SOURCES / (USES)									
Transfers In/(Out)	-	-	-	-	-	-	-	-	
Developer Advance	-	-	-	-	-	-	-	30,000	To Cover Shortfall
Developer Repayment- Principal	(51,000)	-	-	-	-	-	-	-	No Funds Available
Developer Repayment- Interest	(4,244)	-	-	-	-	-	-	-	
TOTAL OTHER SOURCES / (USES)	(55,244)	-	-	-	-	-	-	30,000	
CHANGE IN FUND BALANCE	56,551	280	(36,858)	(9,632)	5,331	8,370	(3,039)	1,953	
BEGINNING FUND BALANCE	6,271	63,909	62,822	62,822	62,822	63,909	(1,087)	53,190	
ENDING FUND BALANCE	62,822	64,189	25,964	53,190	68,153	72,279	(4,126)	55,143	
	=	=	=		=	=	=	=	

Independence Metropolitan District No. 1
Statement of Revenues, Expenditures, & Changes In Fund Balance
Modified Accrual Basis For the Period Indicated

Print Date: 12/5/25

	2024 Audited Actual	2025 Adopted Budget	2025 Amended Budget	2025 Forecast	YTD Thru 09/30/25 Actual	YTD Thru 09/30/25 Budget	Variance Positive (Negative)	2026 Adopted Budget	Budget Notes/Assumptions
DEBT SERVICE FUND									
REVENUE									
Property Taxes	681,318	711,966	711,966	711,966	704,661	711,966	(7,305)	874,365	55 Mills Adjusted
Specific Ownership Taxes	90,947	43,180	88,996	88,996	67,177	28,787	38,390	109,296	12.5% of Property Taxes
Interest Income	584	200	30,000	300	238	150	88	30,000	To Offset Contingency
System Development Fees	76,199	-	-	-	-	-	-	-	None Anticipated
Transfer from District No. 3		-	-	-		-	-	-	
TOTAL REVENUE	849,048	755,346	830,962	801,262	772,076	740,903	31,173	1,013,661	
EXPENDITURES									
Treasurer's Fees	20,457	21,359	21,359	21,359	21,147	21,359	212	26,231	3% of Property Taxes
Debt Service Transfer to District No. 3	828,591	733,987	779,603	779,903	750,929	719,544	(31,385)	957,430	Transfer to District No. 3
Contingency		-	30,000	-	-	-	-	30,000	Unforeseen Needs
TOTAL EXPENDITURES	849,048	755,346	830,962	801,262	772,076	740,903	(31,173)	1,013,661	
REVENUE OVER / (UNDER) EXPENDITURES	-	-	-	-	-	-	-	-	
OTHER SOURCES / (USES)									
Transfers In/(Out)	-	-			-	-	-	-	
TOTAL OTHER SOURCES / (USES)	-	-	-	-	-	-	-	-	
CHANGE IN FUND BALANCE	-	-	-	-	-	-	-	-	
BEGINNING FUND BALANCE	-	-	-	-	-	-	-	-	
ENDING FUND BALANCE	-	-	-	-	-	-	-	-	
	=	=	=		=	=	=	=	

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of Elbert County, Colorado.

On behalf of the Independence Metropolitan District No. 1

(taxing entity)^A

the Board of Directors

(governing body)^B

of the Independence Metropolitan District No. 1

(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS assessed valuation of:

\$ 12,512,380

(Gross^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of:

\$ 12,512,380

(NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)

**USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY
ASSESSOR NO LATER THAN DECEMBER 10**

Submitted:

12/5/2025

(not later than Dec 15)

(mm/dd/yyyy)

for budget/fiscal year 2026

(yyyy)

PURPOSE (see end notes for definitions and examples)

LEVY²

REVENUE²

1. General Operating Expenses ^H	<u>12.705</u>	mills	<u>158,969.79</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	<u>(6.614)</u>	mills	<u>(82,757.00)</u>
SUBTOTAL FOR GENERAL OPERATING:	<u>6.091</u>	mills	<u>76,212.79</u>
3. General Obligation Bonds and Interest ^J	<u>0.000</u>	mills	<u>-</u>
4. Contractual Obligations ^K	<u>69.880</u>	mills	<u>874,365.00</u>
5. Capital Expenditures ^L	<u>0.000</u>	mills	<u>-</u>
6. Refunds/Abatements ^M	<u>0.000</u>	mills	<u>-</u>
7. Other ^N (specify): _____	<u>0.000</u>	mills	<u>-</u>
	<u>0.000</u>	mills	<u>-</u>
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	<u>75.971</u>	mills	<u>950,577.79</u>

Contact person:
(print)

Eric Weaver

Daytime
phone:

(970) 926-6060 x6

Signed:



Title:

District Accountant

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S. with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, Colorado 80203. Questions? Call DLG (303) 864-7720.

¹ If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.

² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's **FINAL** certification of valuation).

CERTIFICATION OF TAX LEVIES, continued

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-603 C.R.S.). Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenue to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

- | | | |
|----|-------------------|-------|
| 1. | Purpose of Issue: | _____ |
| | Series: | _____ |
| | Date of Issue: | _____ |
| | Coupon rate: | _____ |
| | Maturity Date: | _____ |
| | Levy: | _____ |
| | Revenue: | _____ |
| | | |
| 2. | Purpose of Issue: | _____ |
| | Series: | _____ |
| | Date of Issue: | _____ |
| | Coupon rate: | _____ |
| | Maturity Date: | _____ |
| | Levy: | _____ |
| | Revenue: | _____ |

CONTRACTS^K:

- | | | |
|----|----------------------|--|
| 3. | Purpose of Contract: | Pledge To Independence Metropolitan District No. 3 For Payment of the Series 2024A Bonds |
| | Title: | Senior Capital Pledge Agreement |
| | Date: | December 1, 2024 |
| | Principal Amount: | \$54,785,000.00 |
| | Maturity Date: | December 1, 2054 |
| | Levy: | 69.880 |
| | Revenue: | \$874,365.00 |
| | | |
| 4. | Purpose of Contract: | Pledge To Independence Metropolitan District No. 3 For Payment of the Series 2024B Bonds |
| | Title: | Subordinate Capital Pledge Agreement |
| | Date: | December 1, 2024 |
| | Principal Amount: | \$9,308,000.00 |
| | Maturity Date: | December 15, 2054 |
| | Levy: | 0.000 |
| | Revenue: | \$0.00 |

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

EXHIBIT B
2025 Final Assessed Valuation

RECERTIFICATION OF VALUATION BY

Elbert County

COUNTY ASSESSOR

New Tax Entity? ☐ YES ☒ NO

Date 11/25/2025

NAME OF TAX ENTITY: INDEPENDENCE METRO DIST 1

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

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

1.	PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	1.	\$ 12,931,910
2.	CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: ‡	2.	\$ 12,512,380
3.	LESS TOTAL TIF AREA INCREMENTS, IF ANY:	3.	\$ 0
4.	CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	4.	\$ 12,512,380
5.	NEW CONSTRUCTION: *	5.	\$ 304,983
6.	INCREASED PRODUCTION OF PRODUCING MINE: ≈	6.	\$ 0
7.	ANNEXATIONS/INCLUSIONS:	7.	\$ 0
8.	PREVIOUSLY EXEMPT FEDERAL PROPERTY: ≈	8.	\$ 0
9.	NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(1)(b), C.R.S.): Φ	9.	\$ 0
10.	TAXES RECEIVED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1)(a), C.R.S.). Includes all revenue collected on valuation not previously certified:	10.	\$0.00
11.	TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a), C.R.S.) and (39-10-114(1)(a)(I)(B), C.R.S.):	11.	\$0.00

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

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

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

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

USE FOR TABOR "LOCAL GROWTH" CALCULATION ONLY

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

1.	CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: ¶	1.	\$ 197,820,880
----	---	----	----------------

ADDITIONS TO TAXABLE REAL PROPERTY

2.	CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: *	2.	\$4,879,700
3.	ANNEXATIONS/INCLUSIONS:	3.	\$ 0
4.	INCREASED MINING PRODUCTION: §	4.	\$ 0
5.	PREVIOUSLY EXEMPT PROPERTY:	5.	\$ 0
6.	OIL OR GAS PRODUCTION FROM A NEW WELL:	6.	\$ 0
7.	TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT: (If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.):	7.	\$ 0

DELETIONS FROM TAXABLE REAL PROPERTY

8.	DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	8.	\$ 0
9.	DISCONNECTIONS/EXCLUSIONS:	9.	\$ 0
10.	PREVIOUSLY TAXABLE PROPERTY:	10.	\$ 0

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

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

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

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

TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY \$ 197,820,880

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

HB21-1312 ASSESSED VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): ** \$ 0

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

NOTE: ALL LEVIES MUST BE CERTIFIED to the COUNTY COMMISSIONERS NO LATER THAN DECEMBER 15.

USE FOR STATUTORY PROPERTY TAX LIMIT CALCULATION ("5.25%" LIMIT)

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

1.	CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION:	1.	\$12,512,380
2.	LESS TOTAL TIF AREA INCREMENTS, IF ANY:	2.	\$0
3.	CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	3.	\$12,512,380
4.	NEW CONSTRUCTION:	4.	\$304,983
5.	ANNEXATIONS/INCLUSIONS:	5.	\$0
6.	PREVIOUSLY EXEMPT PROPERTY:	6.	\$0
7.	TAXES RECEIVED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1)(A),C.R.S). Includes all revenue collected on valuation not previously certified:	7.	\$0.00
8.	INCREASED VALUATION FOR ASSESSMENT ATTRIBUTABLE TO A CHANGE IN LAW FOR A PROPERTY TAX CLASSIFICATION* (29-1-306(3)(a), C.R.S.) and (39-10-114(1)(a)(I)(B), C.R.S.):	8.	\$0
9.	TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a), C.R.S.) AND (39-10-114(1)(a)(I)(B), C.R.S):	9.	\$0.00
10.	TOTAL VALUATION FOR ASSESSMENT FROM PRODUCING MINES OR LANDS OR LEASEHOLDS PRODUCING OIL OR GAS	10.	\$0
11.	REVENUE INCREASE FROM EXPIRED TIF:	11.	\$0

* Change in law for property tax classification does not include changes in classification due to property use changes.

Note:

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

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

NOTE: ALL LEVIES MUST BE CERTIFIED to the COUNTY COMMISSIONERS NO LATER THAN DECEMBER 15.

RECERTIFICATION OF VALUATION BY Elbert County COUNTY ASSESSOR

DOLA LGID/SID

New Tax Entity? ☐ YES ☒ NO

Date 11/25/2025

NAME OF TAX ENTITY: INDEPENDENCE METRO DIST 1 BOND

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

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

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	1. \$ 12,931,910
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: ‡	2. \$ 12,512,380
3. LESS TOTAL TIF AREA INCREMENTS, IF ANY:	3. \$ 0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	4. \$ 12,512,380
5. NEW CONSTRUCTION: *	5. \$ 304,983
6. INCREASED PRODUCTION OF PRODUCING MINE: ≈	6. \$ 0
7. ANNEXATIONS/INCLUSIONS:	7. \$ 0
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: ≈	8. \$ 0
9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(1)(b), C.R.S.): Φ	9. \$ 0
10. TAXES RECEIVED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1)(a), C.R.S.). Includes all revenue collected on valuation not previously certified:	10. \$ \$0.00
11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a), C.R.S.) and (39-10-114(1)(a)(I)(B), C.R.S.):	11. \$ \$0.00

‡ This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec. 20(8)(b), Colo. Constitution
 * New Construction is defined as: Taxable real property structures and the personal property connected with the structure.
 ≈ Jurisdiction must submit to the Division of Local Government respective Certifications of Impact in order for the values to be treated as growth in the limit calculation; use Forms DLG 52 & 52A.
 Φ Jurisdiction must apply to the Division of Local Government before the value can be treated as growth in the limit calculation; use Form DLG 52B.

USE FOR TABOR "LOCAL GROWTH" CALCULATION ONLY

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

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: ¶	1. \$ 197,820,880
ADDITIONS TO TAXABLE REAL PROPERTY	
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: *	2. \$ 4,879,700
3. ANNEXATIONS/INCLUSIONS:	3. \$ 0
4. INCREASED MINING PRODUCTION: §	4. \$ 0
5. PREVIOUSLY EXEMPT PROPERTY:	5. \$ 0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	6. \$ 0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT: (If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.)	7. \$ 0

DELETIONS FROM TAXABLE REAL PROPERTY

8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	8. \$ 0
9. DISCONNECTIONS/EXCLUSIONS:	9. \$ 0
10. PREVIOUSLY TAXABLE PROPERTY:	10. \$ 0
¶ This includes the actual value of all taxable real property plus the actual value of religious, private school, and charitable real property.	
* Construction is defined as newly constructed taxable real property structures.	
§ Includes production from new mines and increases in production of existing producing mines.	

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

TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY **\$ 197,820,880**

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

HB21-1312 ASSESSED VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): ** \$ 0

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

NOTE: ALL LEVIES MUST BE CERTIFIED to the COUNTY COMMISSIONERS NO LATER THAN DECEMBER 15.

USE FOR STATUTORY PROPERTY TAX LIMIT CALCULATION ("5.25%" LIMIT)

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

1.	CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION:	1.	\$12,512,380
2.	LESS TOTAL TIF AREA INCREMENTS, IF ANY:	2.	\$0
3.	CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	3.	\$12,512,380
4.	NEW CONSTRUCTION:	4.	\$304,983
5.	ANNEXATIONS/INCLUSIONS:	5.	\$0
6.	PREVIOUSLY EXEMPT PROPERTY:	6.	\$0
7.	TAXES RECEIVED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1)(A), C.R.S). Includes all revenue collected on valuation not previously certified:	7.	\$0.00
8.	INCREASED VALUATION FOR ASSESSMENT ATTRIBUTABLE TO A CHANGE IN LAW FOR A PROPERTY TAX CLASSIFICATION* (29-1-306(3)(a), C.R.S.) and (39-10-114(1)(a)(I)(B), C.R.S.):	8.	\$0
9.	TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a), C.R.S.) AND (39-10-114(1)(a)(I)(B), C.R.S):	9.	\$0.00
10.	TOTAL VALUATION FOR ASSESSMENT FROM PRODUCING MINES OR LANDS OR LEASEHOLDS PRODUCING OIL OR GAS	10.	\$0
11.	REVENUE INCREASE FROM EXPIRED TIF:	11.	\$0

* Change in law for property tax classification does not include changes in classification due to property use changes.

Note:

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

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

NOTE: ALL LEVIES MUST BE CERTIFIED to the COUNTY COMMISSIONERS NO LATER THAN DECEMBER 15.

EXHIBIT C
Certification of Tax Levies

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of Elbert County, Colorado.

On behalf of the Independence Metropolitan District No. 1

(taxing entity)^A

the Board of Directors

(governing body)^B

of the Independence Metropolitan District No. 1

(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS assessed valuation of:

\$ 12,512,380

(Gross^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of:

\$ 12,512,380

(NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)

USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted:

12/5/2025

(not later than Dec 15)

(mm/dd/yyyy)

for budget/fiscal year 2026

(yyyy)

PURPOSE (see end notes for definitions and examples)

LEVY²

REVENUE²

1. General Operating Expenses ^H	<u>12.705</u>	mills	<u>158,969.79</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	<u>(6.614)</u>	mills	<u>(82,757.00)</u>
SUBTOTAL FOR GENERAL OPERATING:	<u>6.091</u>	mills	<u>76,212.79</u>
3. General Obligation Bonds and Interest ^J	<u>0.000</u>	mills	<u>-</u>
4. Contractual Obligations ^K	<u>69.880</u>	mills	<u>874,365.00</u>
5. Capital Expenditures ^L	<u>0.000</u>	mills	<u>-</u>
6. Refunds/Abatements ^M	<u>0.000</u>	mills	<u>-</u>
7. Other ^N (specify): _____	<u>0.000</u>	mills	<u>-</u>
	<u>0.000</u>	mills	<u>-</u>
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	<u>75.971</u>	mills	<u>950,577.79</u>

Contact person:
(print)

Eric Weaver

Daytime
phone:

(970) 926-6060 x6

Signed:



Title:

District Accountant

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S. with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, Colorado 80203. Questions? Call DLG (303) 864-7720.

¹ If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.

² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's **FINAL** certification of valuation).

CERTIFICATION OF TAX LEVIES, continued

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-603 C.R.S.). Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenue to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

- | | | |
|----|-------------------|-------|
| 1. | Purpose of Issue: | _____ |
| | Series: | _____ |
| | Date of Issue: | _____ |
| | Coupon rate: | _____ |
| | Maturity Date: | _____ |
| | Levy: | _____ |
| | Revenue: | _____ |
| | | |
| 2. | Purpose of Issue: | _____ |
| | Series: | _____ |
| | Date of Issue: | _____ |
| | Coupon rate: | _____ |
| | Maturity Date: | _____ |
| | Levy: | _____ |
| | Revenue: | _____ |

CONTRACTS^K:

- | | | |
|----|----------------------|--|
| 3. | Purpose of Contract: | Pledge To Independence Metropolitan District No. 3 For Payment of the Series 2024A Bonds |
| | Title: | Senior Capital Pledge Agreement |
| | Date: | December 1, 2024 |
| | Principal Amount: | \$54,785,000.00 |
| | Maturity Date: | December 1, 2054 |
| | Levy: | 69.880 |
| | Revenue: | \$874,365.00 |
| | | |
| 4. | Purpose of Contract: | Pledge To Independence Metropolitan District No. 3 For Payment of the Series 2024B Bonds |
| | Title: | Subordinate Capital Pledge Agreement |
| | Date: | December 1, 2024 |
| | Principal Amount: | \$9,308,000.00 |
| | Maturity Date: | December 15, 2054 |
| | Levy: | 0.000 |
| | Revenue: | \$0.00 |

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

EXHIBIT D
2025 Audit

INDEPENDENCE METROPOLITAN DISTRICT NO. 1

FINANCIAL STATEMENTS
DECEMBER 31, 2025

TABLE OF C O N T E N T S

Independent Auditors' Report	1
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
Statement of Net Position	4
Statement of Activities	5
FUND FINANCIAL STATEMENTS	
Balance Sheet – Governmental Funds	6
Reconciliation of the Balance sheet of Governmental Funds To the Statement of Net Position	7
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	8
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	9
NOTES TO THE BASIC FINANCIAL STATEMENTS	10
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	19
SUPPLEMENTARY INFORMATION	
Schedule of Revenues, Expenditures, and changes in Fund Balance – Budget and Actual – Debt Service Fund	20



INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Independence Metropolitan District No. 1
Elbert County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Independence Metropolitan District No. 1, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise Independence Metropolitan District No. 1'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 Independence Metropolitan District No. 1 as of December 31, 2025, and the respective changes in financial position 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Independence Metropolitan District No. 1, 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 Independence Metropolitan District No. 1'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.

Auditors' 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 auditors' 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 Independence Metropolitan District No. 1'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 Independence Metropolitan District No. 1'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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the general fund budgetary comparison schedule be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate

operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the 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 who 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 Independence Metropolitan District No. 1's basic financial statements. The Debt Service Fund Budgetary comparison schedule 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. The 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 debt service fund budgetary comparison schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Adams Group, LLC

Greenwood Village, CO

July 15, 2026

INDEPENDENCE METROPOLITAN DISTRICT NO. 1
STATEMENT OF NET POSITION
DECEMBER 31, 2025

	<u>Governmental Activities</u>
<u>Assets</u>	
Cash	\$ 80,024
Property taxes receivable	950,578
Due from County Treasurer	7,871
Prepaid items	2,774
Capital assets, net of accumulated depreciation	9,559
Total assets	<u>1,050,806</u>
 <u>Liabilities</u>	
Accounts payable	8,734
Due to District No. 3	25,830
Total liabilities	<u>34,564</u>
 <u>Deferred Inflows Of Resources</u>	
Unavailable revenue - property taxes	950,578
Total deferred inflows of resources	<u>950,578</u>
 <u>Net Position</u>	
Net investment in capital assets	9,559
Restricted:	
Emergency reserve	1,961
Unrestricted	54,144
Total net position	<u>\$ 65,664</u>

The accompanying notes are an integral part of these financial statements.

INDEPENDENCE METROPOLITAN DISTRICT NO. 1
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities					
General government	\$ 900,253	\$ -	\$ -	\$ 18,492	\$ (881,761)
Total Governmental Activities	<u>\$ 900,253</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,492</u>	<u>(881,761)</u>
General Revenues:					
			Property taxes		763,694
			Specific ownership taxes		99,407
			Interest income		757
			Total General Revenues		<u>863,858</u>
			Change in Net Position		<u>(17,903)</u>
			Net Position - Beginning		<u>83,567</u>
			Net Position - Ending		<u>\$ 65,664</u>

The accompanying notes are an integral part of these financial statements.

INDEPENDENCE METROPOLITAN DISTRICT NO. 1
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	General Fund	Debt Service Fund	Total Governmental Funds
<u>Assets</u>			
Cash	\$ 61,532	\$ 18,492	\$ 80,024
Property taxes receivable	76,213	874,365	950,578
Due from County Treasurer	533	7,338	7,871
Prepaid items	2,774	-	2,774
Total assets	<u>\$ 141,052</u>	<u>\$ 900,195</u>	<u>\$ 1,041,247</u>
<u>Liabilities, deferred inflows of resources, and fund balances</u>			
Accounts payable	\$ 8,734	\$ -	\$ 8,734
Due to District No. 3	-	25,830	25,830
Total liabilities	<u>8,734</u>	<u>25,830</u>	<u>34,564</u>
<u>Deferred Inflows Of Resources</u>			
Unavailable revenue - property taxes	76,213	874,365	950,578
Total deferred inflows of resources	<u>76,213</u>	<u>874,365</u>	<u>950,578</u>
<u>Fund Balance</u>			
Nonspendable:			
Prepaid items	2,774	-	2,774
Restricted:			
Emergency reserve	1,961	-	1,961
Unassigned	51,370	-	51,370
Total fund balances	<u>56,105</u>	<u>-</u>	<u>56,105</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 141,052</u>	<u>\$ 900,195</u>	<u>\$ 1,041,247</u>

The accompanying notes are an integral part of these financial statements.

INDEPENDENCE METROPOLITAN DISTRICT NO. 1
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2025

Amounts reported for governmental activities in the statement of net position
are different because:

Fund balance of Governmental Funds	\$ 56,105
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:	<u>9,559</u>
Net Position of Governmental Activities	<u><u>\$ 65,664</u></u>

The accompanying notes are an integral part of these financial statements.

INDEPENDENCE METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2025

	General Fund	Debt Service Fund	Total Governmental Funds
<u>Revenues</u>			
Property taxes	\$ 51,728	\$ 711,966	\$ 763,694
Specific ownership taxes	6,858	92,549	99,407
System development fees	-	18,492	18,492
Interest income	50	707	757
Total revenues	<u>58,636</u>	<u>823,714</u>	<u>882,350</u>
<u>Expenditures</u>			
Current:			
Accounting	5,530	-	5,530
Audit	10,000	-	10,000
District management	15,262	-	15,262
Engineering	134	-	134
Office supplies, Bill.com fees, other	6,409	-	6,409
Legal	7,440	-	7,440
Treasurer fees	1,553	21,380	22,933
Election	881	-	881
Insurance, bonds & SDA dues	3,478	-	3,478
Intergovernmental	-	802,334	802,334
Website	1,446	-	1,446
Maintenance	13,220	-	13,220
Total expenditures	<u>65,353</u>	<u>823,714</u>	<u>889,067</u>
Excess of revenues over (under) expenditures	(6,717)	-	(6,717)
Fund balances, beginning of year	<u>62,822</u>	<u>-</u>	<u>62,822</u>
Fund balances, end of year	<u>\$ 56,105</u>	<u>\$ -</u>	<u>\$ 56,105</u>

The accompanying notes are an integral part of these financial statements.

INDEPENDENCE METROPOLITAN DISTRICT NO. 1
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

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

Net change in fund balances - Total governmental funds	\$ (6,717)
--	------------

Governmental funds report capital outlay as expenditures. However, in the
Statement of Activities, the cost of these assets is allocated over their estimated
useful lives and reported as depreciation expense.

Depreciation expense	<u>(11,186)</u>
----------------------	-----------------

Change in Net Position of Governmental Activities	<u>\$ (17,903)</u>
---	--------------------

The accompanying notes are an integral part of these financial statements.

INDEPENDENCE METROPOLITAN DISTRICT NO. 1
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 1 – DEFINITION OF REPORTING ENTITY

Independence Metropolitan District No. 1 (District), a quasi-municipal corporation and political subdivision of the State of Colorado was established on December 27, 2017 and is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located within the County of Elbert, Colorado.

The District was formed in conjunction with eight other metropolitan districts which collectively comprise the Independence Development (Development).

The District was established principally to provide streets, traffic and safety controls, street lighting, water, sanitary sewer, storm drainage, landscaping, parks and recreation, and mosquito control to areas within and without the boundaries of the District.

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

The District's 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 of the organization to provide specific financial benefits or burdens, and fiscal dependency.

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) include all of the activities of the District. As a general rule, the effect of interfund activity has been removed from these statements. These financial statements include all of the activities of the primary government. The statement of net position reports all financial and capital resources of the District. The difference between the assets and deferred outflows of resources and liabilities and deferred inflows of resources of the District is reported as net position.

INDEPENDENCE METROPOLITAN DISTRICT NO. 1
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct and indirect expense 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 governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider has been met. Expenditures for property and equipment are shown as increases in assets and redemption of bonds, notes, and developer advances are recorded as a reduction in liabilities.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the 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, capital fees and interest. All other revenue items are considered to be measurable and available only when cash is received by the District. Expenditures, other than interest on long-term obligations are recorded when the liability is incurred or the long-term obligation paid.

INDEPENDENCE METROPOLITAN DISTRICT NO. 1
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

The District reports the following major governmental funds:

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

The *Debt Service Fund* accounts for the resources accumulated and payments made for principal, interest, and related expenses on the long-term developer advances of the governmental funds.

Budgets

In accordance with the State Budget Law, the District's Board of Directors hold a public hearing in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balance/Net Position

Pooled Cash

The District follows the practice of pooling cash 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.

Property Tax

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

INDEPENDENCE METROPOLITAN DISTRICT NO. 1
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balance/Net Position (Continued)

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflows of resources in the year they are levied and measurable. The deferred inflows of resources related to property tax revenues are recorded as revenue in the year for which they are levied, in most instances in the year in which collection occurs.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. streets, water, and wastewater improvements), are reported in the government-wide financial statements. The total costs of constructing improvements have been capitalized on the statement of net position. Such assets are recorded at acquisition cost or estimated acquisition cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The District has not adopted a formal capitalization policy.

Constructed capital assets which have not yet been completed are recorded as construction in progress. Capital assets of the District are depreciated using the straight-line method over the following estimated economic useful lives. 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.

Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the statement of net position and balance sheets will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflow of resources, represents a consumption of net position and fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until then.

In addition to liabilities, the statement of net position and balance sheets will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position and fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

INDEPENDENCE METROPOLITAN DISTRICT NO. 1
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balances-Governmental Funds

Net position is reported in the governmental activities and is classified as restricted and unrestricted. Restrictions of net position represent amounts that are not available for appropriation or are legally restricted. As of December 31, 2025, fund balances of governmental funds are classified as follows:

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

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

Committed fund balance – amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e., Board of Directors). To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest-level action to remove or change the constraint. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board.

Assigned fund balance – amounts the District intends to use for a specific purpose. Intent can be expressed by the District Board of Directors or by an official or body to which the District Board of Directors delegates the authority.

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

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

INDEPENDENCE METROPOLITAN DISTRICT NO. 1
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 3 – CASH AND INVESTMENTS

As of December 31, 2025, the District's cash deposits had a bank balance of \$81,662 and a carrying balance of \$80,024.

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 equal to 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 the reporting of the uninsured deposits and assets maintained in the collateral pools.

NOTE 4 – CAPITAL ASSETS

The following is an analysis of changes in capital assets for the year ended December 31, 2025.

<i>Governmental Activities</i>	Balance 12/31/24	Additions	Deletions/ Transfers	Balance 12/31/25
Capital assets, being depreciated:				
Vehicles and equipment	\$ 78,302	\$ -	\$ -	\$ 78,302
Less accumulated depreciation				
Vehicles and equipment	(57,557)	(11,186)	-	(68,743)
Capital Assets, net	<u>\$ 20,745</u>	<u>\$ (11,186)</u>	<u>\$ -</u>	<u>\$ 9,559</u>

Depreciation expense is included within "General government" in the accompanying statement of activities.

INDEPENDENCE METROPOLITAN DISTRICT NO. 1
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 5 – LONG-TERM OBLIGATIONS

Senior Pledge Agreement

In 2019, Independence Metropolitan District No. 3 issued Series 2019A Bonds in the aggregate principal amount of \$25,795,000 and Series 2019B Bonds in the aggregate principal amount of \$4,230,000. In 2021, Independence Metropolitan District No. 3 issued Series 2021B Bonds in the principal aggregate amount of \$8,405,000. A portion of proceeds from each bond issuance was provided to the District to finance the acquisition and construction of infrastructure improvements within the district. In 2024, Independence Metropolitan District No. 3 issued Series 2024A and Series 2024B Bonds in the aggregate principal amount of \$64,093,000. Proceeds from the Series 2024 Bonds was used to refund the Series 2019A, 2019B, and 2021B Bonds in full and to finance the acquisition and construction of infrastructure improvements within the Independence development.

The District entered into a Senior Pledge Agreement with Independence Metropolitan District No. 3 to service the outstanding bonds with revenues derived from senior property taxes, senior specific ownership taxes, senior system development fees, and capital fees. The amount of debt to be serviced by each district is uncertain and a significant management estimate. During the year ended December 31, 2025, the District paid Independence Metropolitan District No. 3 a total of \$802,334 for debt service related payments. This is recorded in the Debt Service Fund as an intergovernmental expenditure.

Authorized Debt

On November 7, 2017, a majority of qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$295,520,000 to fund the development. As of December 31, 2025, the District had authorized and issued indebtedness from the election in the following amounts:

	<u>Authorized</u>	<u>Remaining</u>
Voter debt authorization limit	<u>\$295,520,000</u>	<u>\$295,520,000</u>

NOTE 6 – RISK MANAGEMENT

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

INDEPENDENCE METROPOLITAN DISTRICT NO. 1
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 6 – RISK MANAGEMENT (CONTINUED)

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years. The District pays annual premiums to the Pool for liability, property, public officials' liability and workers compensation coverage.

In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

NOTE 7 – 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, except those governmental activities designated as Enterprises.

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. The District recorded restricted fund balance for TABOR emergency reserves of \$1,961 as of December 31, 2025.

On November 7, 2017, the District's voters authorized the retention of all revenues received from any source during the 2017 budget year and each budget year thereafter that are in excess of the revenue and fiscal year spending limits that would otherwise apply under Article X, Section 20 of the Colorado Constitution or any other law.

INDEPENDENCE METROPOLITAN DISTRICT NO. 1
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 7 – TAX, SPENDING AND DEBT LIMITATIONS (CONTINUED)

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.

NOTE 8 – RELATED PARTIES

The District is one of nine metropolitan districts that serve the Development and some members of the District's Board of Directors serve on the board of directors of multiple districts that serve the Development. The developer of the infrastructure which constitutes the District is Craft Bandera Acquisition Company, LLC and Craft Companies, LLC. Some of the members of the District's Board are employed, owners of, or consultants of the Developer.

During the year ended December 31, 2025, the District paid Independence Metropolitan District No. 3 ("District No. 3") a total of \$802,334 for debt service related payments. This is recorded in the debt service fund as an intergovernmental expenditure. As of December 31, 2025, the District had a payable due to District No. 3 totaling \$25,830.

REQUIRED SUPPLEMENTARY INFORMATION

INDEPENDENCE METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Property taxes	\$ 51,728	\$ 51,728	\$ 51,728	\$ -
Specific ownership taxes	3,104	6,466	6,858	392
Interest	-	-	50	50
Total revenues	<u>54,832</u>	<u>58,194</u>	<u>58,636</u>	<u>442</u>
<u>Expenditures</u>				
Current:				
Accounting	-	10,000	5,530	4,470
Audit	10,000	10,000	10,000	-
District management	8,000	12,000	15,262	(3,262)
Engineering	-	-	134	(134)
Office supplies, Bill.com fees, other	1,000	5,500	6,409	(909)
Legal	6,000	8,000	7,440	560
Treasurer fees	1,552	1,552	1,553	(1)
Election	2,000	2,000	881	1,119
Insurance, bonds & SDA dues	4,500	4,500	3,478	1,022
Website	1,500	1,500	1,446	54
Maintenance	-	15,000	13,220	1,780
Contingency / emergencies	20,000	25,000	-	25,000
Total expenditures	<u>54,552</u>	<u>95,052</u>	<u>65,353</u>	<u>29,699</u>
Excess of revenues over (under) expenditures	280	(36,858)	(6,717)	30,141
Fund balance, beginning of year	<u>63,909</u>	<u>62,822</u>	<u>62,822</u>	<u>-</u>
Fund balance, end of year	<u>\$ 64,189</u>	<u>\$ 25,964</u>	<u>\$ 56,105</u>	<u>\$ 30,141</u>

See Independent Auditors' Report

SUPPLEMENTARY INFORMATION

INDEPENDENCE METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL – DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Property taxes	\$ 711,966	\$ 711,966	711,966	\$ -
Specific ownership tax	43,180	88,996	92,549	3,553
System development fees	-	-	18,492	18,492
Interest income	200	30,000	707	(29,293)
Total revenues	<u>755,346</u>	<u>830,962</u>	<u>823,714</u>	<u>(7,248)</u>
<u>Expenditures</u>				
Treasurer fees	21,359	21,359	21,380	(21)
Intergovernmental	733,987	779,603	802,334	(22,731)
Contingency	-	30,000	-	30,000
Total expenditures	<u>755,346</u>	<u>830,962</u>	<u>823,714</u>	<u>7,248</u>
Excess of revenues over (under) expenditures	-	-	-	-
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Independent Auditors' Report