ANNUAL REPORT

As required by Section VI of the Amended and Restated Service Plan of the Independence Metropolitan District No. 2 (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. 2
Report for Calendar Year	2025
(i) District Boundary Changes	There were no changes to the boundaries of the District in 2025.
(ii) Intergovernmental Agreements	The District did not enter into or terminate any Intergovernmental Agreements in 2025.
(iii) 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.
(iv) Litigation Involving Public Improvements	The District is not aware of any litigation involving public improvements.
(v) Status of Construction of Public Improvements	No public improvements were constructed or proposed to the District during the reporting year.
(vi) Facilities or Improvements Conveyed or Dedicated	No facilities or improvements were conveyed or dedicated during the reporting year.
(vii) 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.
(viii) 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@publicalliancellc.com or 720-213-6621.

EXHIBIT A

2026 Budget

INDEPENDENCE METROPOLITAN DISTRICT NO. 2

January 28, 2026

Division of Local Government
Via: E-Filing Portal

RE: Independence Metropolitan District No. 2
LG ID #66871

Attached is the 2026 Budget for the Independence Metropolitan District No. 2 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 12.439 mills for all general operating purposes, subject to statutory and/or TABOR limitations; 0.000 mills for G.O. bonds; 68.414 mills for contractual obligations; 0.000 mills for refund/abatement; and (3.439) mills for Temporary Tax Credit/Mill Levy Reduction. Based on an assessed valuation of $13,045,920 the total property tax revenue is $1,009,936.77. 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)

INDEPENDENCE METROPOLITAN DISTRICT NO. 2

RESOLUTION TO ADOPT 2026 BUDGET

WHEREAS, the Board of Directors ("**Board**") of the Independence Metropolitan District No. 2 ("**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. 2:

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

General Fund:	$	104,222
Debt Service Fund:	$	1,052,394
Total	$	1,156,616

2. That estimated revenues are as follows:

General Fund:

From unappropriated surpluses	$(27,868)
From fund transfers	$0
From sources other than general property tax	$14,677
From general property tax	$117,413
Total	$104,222

Debt Service Fund:

From unappropriated surpluses	$0
From fund transfers	$0
From sources other than general property tax	$159,870
From general property tax	$892,524
Total	$1,052,394

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 $117,413.20; and

WHEREAS, the amount of money from property taxes necessary to balance the budget for debt service expenses is $892,523.57; and

WHEREAS, the 2025 valuation for assessment of the District, as certified by the County Assessor, is $13,045,920.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Independence Metropolitan District No. 2:

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 3.439 mills), there is hereby levied a property tax, inclusive of the mill levy for refunds and abatements, of 9.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District to raise $117,413.20.

2. That for the purpose of meeting all debt service expenses of the District during the 2026 budget year, there is hereby levied a property tax of 68.414 mills upon each dollar of the total valuation for assessment of all taxable property within the District to raise $892,523.57.

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. 2 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:		$ 104,222
Debt Service Fund:		$ 1,052,394
	Total	$ 1,156,616

Adopted this 20th day of November, 2025.

INDEPENDENCE METROPOLITAN DISTRICT NO. 2

By: ______________________________
Chair

ATTEST:

Signed by:
Jim Yates
91EFBCD306F8403...
Secretary

INDEPENDENCE METROPOLITAN DISTRICT NO. 2

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 9.000 mills for operations (10.000 mills adjusted for legislative changes to 12.439 mills, net of a 3.439 voluntary mill temporary reduction) as well as 68.414 mills for contractual obligations (55.000 mills adjusted for legislative changes). The District anticipates receiving system development fees, which will be accounted for in the Debt Service Fund and used to support contractual obligations.

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. 2
Statement of Net Position
September 30, 2025

	General Fund	Debt Service Fund	Fixed Assets & LTD	Total
ASSETS				
CASH				
KeyBank Checking	158,785			**158,785**
Pooled Cash	(120,198)	120,198		**-**
TOTAL CASH	**38,587**	**120,198**	**-**	**158,785**
OTHER CURRENT ASSETS				
Due From County Treasurer	-	-		**-**
Property Tax Receivable	2,803	15,430		**18,233**
Prepaid Expense	-			**-**
TOTAL OTHER CURRENT ASSETS	**2,803**	**15,430**	**-**	**18,233**
FIXED ASSETS				
Construction in Progress			-	-
TOTAL FIXED ASSETS	**-**	**-**	**-**	**-**
TOTAL ASSETS	**41,389**	**135,628**	**-**	**177,018**
LIABILITIES & DEFERED INFLOWS				
CURRENT LIABILITIES				
Accounts Payable	-			**-**
TOTAL CURRENT LIABILITIES	**-**	**-**	**-**	**-**
DEFERRED INFLOWS				
Deferred Property Taxes	2,803	15,430		**18,233**
TOTAL DEFERRED INFLOWS	**2,803**	**15,430**	**-**	**18,233**
LONG-TERM LIABILITIES				
Developer Payable- Capital			8,000	**8,000**
Accrued Int- Developer Payable- Ops			-	**-**
TOTAL LONG-TERM LIABILITIES	**-**	**-**	**8,000**	**8,000**
TOTAL LIAB & DEF INFLOWS	**2,803**	**15,430**	**8,000**	**26,233**
NET POSITION				
Inv in Capital Assets				**-**
Amount to be Provided for Debt			(8,000)	**(8,000)**
Fund Balance- Non-Spendable	-			**-**
Fund Balance- Restricted	2,097	120,198		**122,295**
Fund Balance- Unassigned	36,490			**36,490**
TOTAL NET POSITION	**38,586**	**120,198**	**(8,000)**	**150,785**
	=	=	=	=

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

Independence Metropolitan District No. 2
Statement of Revenues, Expenditures, & Changes In Fund Balance
Modified Accrual Basis For the Period Indicated

Print Date: 12/5/25

PROPERTY TAXES	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
Assessed Valuation	**285,436**	**5,720,520**	**5,720,520**	**5,720,520**				**13,045,920**	Final AV
Mill Levy - Operations	10.000	10.000	10.000	10.000				12.439	10 Mills Adjusted
Mill Levy - Operations Temporary Reduction	-	-	-	-				(3.439)	Voluntary Temporary Reduction To Net 9 Mills
Mill Levy - Debt Service Fund	55.055	55.055	55.055	55.055				68.414	55 Mills Adjusted
Total Mill Levy	**65.055**	**65.055**	**65.055**	**65.055**				**77.414**	Total of 65 Mills Adjusted, Net of Temp Credit
Property Tax Revenue - Operations	2,854	57,205	57,205	57,205				117,413	10 Mills Adjusted, Net of Temp Reduction
Property Tax Revenue - Debt Service Fund	15,715	314,943	314,943	314,943				892,524	55 Mills Adjusted
Total Property Taxes	**18,569**	**372,148**	**372,148**	**372,148**				**1,009,937**	Total of 65 Mills Adjusted, Net of Temp Credit

Independence Metropolitan District No. 2 **Print Date: 12/5/25**

Statement of Revenues, Expenditures, & Changes In Fund Balance

Modified Accrual Basis For the Period Indicated

	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	18,671	372,148	372,148	369,422	353,915	372,148	(18,234)	1,009,937	Total of 65 Mills Adjusted, Net of Temp Credit
Specific Ownership Taxes	2,390	22,329	26,048	46,178	31,249	14,886	16,363	126,242	12.5% of Property Taxes
Transfer from District No. 3	117,623	-	-	-	-	-	-	-	To Backfill Mill Levy Calculation in 2025
System Development Fees	1,928,786	1,202,240	1,202,240	277,350	231,150	901,680	(670,530)	48,305	Estimate Based on # of Units X Rate Per Unit
Interest & Other Income	8	-	-	-	(33)	-	(33)	-	
TOTAL REVENUE	**2,067,478**	**1,596,717**	**1,600,436**	**692,950**	**616,281**	**1,288,714**	**(672,433)**	**1,184,484**	
EXPENDITURES									
Administration									
Accounting	-	-	10,000	10,000	-	-	-	25,000	M&W Estimate
Audit	8,400	9,500	9,500	8,750	8,750	9,500	750	9,000	Per Engagement Letter
District Management	12,257	10,000	10,000	10,000	6,272	7,500	1,228	12,000	Based on 2025 Forecast
Legal	3,900	8,000	8,000	8,000	3,127	6,000	2,873	9,500	Based on 2025 Forecast
Engineering	41,209	10,000	10,000	10,000	3,392	7,500	4,108	12,000	Based on 2025 Forecast
Treasurer's Fees	560	10,306	11,164	11,083	10,622	10,306	(316)	30,298	3% of Property Taxes
Election	-	2,000	2,000	1,253	1,253	2,000	747	500	Prep Work for 2027 Election
Insurance, Bonds & SDA Dues	3,435	4,700	4,700	3,822	3,822	4,700	878	5,200	Based on 2025 Forecast
Website & Miscellaneous Other	-	-	-	-	-	-	-	2,500	Bill.com & Other Misc
Contingency	-	10,000	25,000	-	-	7,500	7,500	25,000	Unforeseen Needs
Debt Service									
Debt Service Transfer to District No. 3	1,946,059	1,526,632	1,526,632	619,686	427,893	1,219,773	791,880	1,025,618	Transfer to District No. 3
Contingency	-	-	-	-	-	-	-	-	
TOTAL EXPENDITURES	**2,015,822**	**1,591,138**	**1,616,996**	**682,594**	**465,131**	**1,274,779**	**809,648**	**1,156,617**	
REVENUE OVER / (UNDER) EXPENDITURES	**51,656**	**5,579**	**(16,560)**	**10,356**	**151,150**	**13,935**	**137,215**	**27,868**	
OTHER SOURCES / (USES)									
Developer Advances	70,500	35,000	59,000	6,000	6,000	26,250	(20,250)	-	No Anticipated Need
Developer Advance Repayments	(117,623)	(35,000)	(35,000)	(6,400)	-	(26,250)	26,250	-	No Anticipated Balances Owed
TOTAL OTHER SOURCES / (USES)	**(47,123)**	**-**	**24,000**	**(400)**	**6,000**	**-**	**6,000**	**-**	
CHANGE IN FUND BALANCE	**4,533**	**5,579**	**7,440**	**9,956**	**157,150**	**13,935**	**143,215**	**27,868**	
BEGINNING FUND BALANCE	**(2,899)**	**13,015**	**1,634**	**1,634**	**1,634**	**13,015**	**(11,381)**	**11,590**	
ENDING FUND BALANCE	**1,634**	**18,594**	**9,074**	**11,590**	**158,785**	**26,950**	**131,834**	**39,458**	
	=	=	=	=	=	=	=	=	
COMPONENTS OF FUND BALANCE									
Non-Spendable	2,771	-	5,200	5,200	-			5,460	
TABOR Emergency Reserve	-	-	3,701	2,097	2,097			3,963	
Restricted For Debt Service	-	-	-	-	120,198			-	
Unassigned	(1,137)	18,594	173	4,294	36,490			30,035	
TOTAL ENDING FUND BALANCE	**1,634**	**18,594**	**9,074**	**11,590**	**158,785**			**39,458**	
	=	=	=	=	=			=	

Independence Metropolitan District No. 2 **Print Date: 12/5/25**

Statement of Revenues, Expenditures, & Changes In Fund Balance

Modified Accrual Basis For the Period Indicated

	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	2,955	57,205	57,205	56,786	54,402	57,205	(2,803)	117,413	10 Mills Adjusted, Net of Temp Reduction
Specific Ownership Taxes	367	3,432	7,151	7,098	4,804	2,288	2,516	14,677	12.5% of Property Taxes
Transfer from District No. 3	117,623	-	-	-	-	-	-	-	
Interest Income	1	-	-	-	(5)	-	(5)	-	
Miscellaneous Income		-	-	-		-	-	-	
TOTAL REVENUE	**120,947**	**60,637**	**64,356**	**63,884**	**59,201**	**59,493**	**(292)**	**132,090**	
EXPENDITURES									
Administration									
Accounting	-	-	10,000	10,000	-	-	-	25,000	M&W Estimate
Audit	8,400	9,500	9,500	8,750	8,750	9,500	750	9,000	Per Engagement Letter
District Management	12,257	10,000	10,000	10,000	6,272	7,500	1,228	12,000	Based on 2025 Forecast
Legal	3,900	8,000	8,000	8,000	3,127	6,000	2,873	9,500	Based on 2025 Forecast
Office Supplies, Bill.com Fees, Other	-	-	-	-	-	-	-	2,500	Bill.com & Other Misc
Treasurer's Fees	89	858	1,716	1,704	1,633	858	(775)	3,522	3% of Property Taxes
Election	-	2,000	2,000	1,253	1,253	2,000	747	500	Prep Work for 2027 Election
Insurance, Bonds & SDA Dues	3,435	4,700	4,700	3,822	3,822	4,700	878	5,200	Based on 2025 Forecast
Website	-	-	-	-	-	-	-	-	Handled By District No. 1
Engineering	41,209	10,000	10,000	10,000	3,392	7,500	4,108	12,000	Based on 2025 Forecast
Contingency /Emergencies		10,000	25,000	-		7,500	7,500	25,000	Unforeseen Needs
TOTAL EXPENDITURES	**69,291**	**55,058**	**80,916**	**53,529**	**28,249**	**45,558**	**17,309**	**104,222**	
REVENUE OVER / (UNDER) EXPENDITURES	**51,656**	**5,579**	**(16,560)**	**10,356**	**30,952**	**13,935**	**17,017**	**27,868**	
OTHER SOURCES / (USES)									
Transfers In/(Out)	-	-	-		-	-	-	-	
Developer Advance	70,500	35,000	59,000	6,000	6,000	26,250	(20,250)	-	No Anticipated Need
Developer Advance Repayment- Principal	(113,000)	(35,000)	(35,000)	(6,000)	-	(26,250)	26,250	-	No Anticipated Balances Owed
Developer Advance Repayment- Interest	(4,623)	-	-	(400)	-	-	-	-	No Anticipated Balances Owed
TOTAL OTHER SOURCES / (USES)	**(47,123)**	**-**	**24,000**	**(400)**	**6,000**	**-**	**6,000**	**-**	
CHANGE IN FUND BALANCE	**4,533**	**5,579**	**7,440**	**9,956**	**36,952**	**13,935**	**23,017**	**27,868**	
BEGINNING FUND BALANCE	**(2,899)**	**13,015**	**1,634**	**1,634**	**1,634**	**13,015**	**(11,381)**	**11,590**	
ENDING FUND BALANCE	**1,634**	**18,594**	**9,074**	**11,590**	**38,586**	**26,950**	**11,636**	**39,458**	
	=	=	=		=	=	=	=	

Independence Metropolitan District No. 2 Print Date: 12/5/25
Statement of Revenues, Expenditures, & Changes In Fund Balance
Modified Accrual Basis For the Period Indicated

DEBT SERVICE FUND	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
Number of Building Permits				30				5	Developer Estimate
System Development Fee Per Building Permit				9,245				9,661	4.5% Annual Increase
REVENUE									
Property Taxes	15,715	314,943	314,943	312,636	299,512	314,943	(15,431)	892,524	55 Mills Adjusted
Specific Ownership Taxes	2,023	18,897	18,897	39,079	26,446	12,598	13,848	111,565	12.5% of Property Taxes
Interest Income	7	-	-	-	(28)	-	(28)	-	
System Development Fees	1,928,786	1,202,240	1,202,240	277,350	231,150	901,680	(670,530)	48,305	Estimate Based on # of Units X Rate Per Unit
Transfer from District No. 3		-	-	-		-	-	-	To Backfill Mill Levy Calculation in 2025
TOTAL REVENUE	**1,946,531**	**1,536,080**	**1,536,080**	**629,065**	**557,080**	**1,229,221**	**(672,141)**	**1,052,394**	
EXPENDITURES									
Treasurer's Fees	472	9,448	9,448	9,379	8,989	9,448	459	26,776	3% of Property Taxes
Debt Service Transfer to District No. 3	1,946,059	1,526,632	1,526,632	619,686	427,893	1,219,773	791,880	1,025,618	Transfer to District No. 3
Contingency		-	-	-	-	-	-	-	
TOTAL EXPENDITURES	**1,946,531**	**1,536,080**	**1,536,080**	**629,065**	**436,882**	**1,229,221**	**792,339**	**1,052,394**	
REVENUE OVER / (UNDER) EXPENDITURES	**-**	**-**	**-**	**-**	**120,198**	**-**	**120,198**	**-**	
OTHER SOURCES / (USES)									
Transfers In/(Out)	-	-	-	-	-	-	-	-	
TOTAL OTHER SOURCES / (USES)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	
CHANGE IN FUND BALANCE	**-**	**-**	**-**	**-**	**120,198**	**-**	**120,198**	**-**	
BEGINNING FUND BALANCE	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	
ENDING FUND BALANCE	**-**	**-**	**-**	**-**	**120,198**	**-**	**120,198**	**-**	
	=	=	=		=	=	=	=	

4431/4441 County Tax entity code DOLA LGID/SID 66871

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners[1] of Elbert County, Colorado.

On behalf of the Independence Metropolitan District No. 2
(taxing entity)[A]

the Board of Directors
(governing body)[B]

of the Independence Metropolitan District No. 2
(local government)[C]

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS assessed valuation of: $ 13,045,920
(Gross[D] assessed valuation, Line 2 of the Certification of Valuation From 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: $ 13,045,920
(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* for budget/fiscal year *2026* .
(not later than Dec 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	**LEVY**[2]		**REVENUE**[2]
1. General Operating Expenses[H]	12.439	mills	162,278.20
2. **<Minus>** Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction[I]	(3.439)	mills	(44,865.00)
SUBTOTAL FOR GENERAL OPERATING:	9.000	**mills**	117,413.20
3. General Obligation Bonds and Interest[J]	0.000	mills	-
4. Contractual Obligations[K]	68.414	mills	892,523.57
5. Capital Expenditures[L]	0.000	mills	-
6. Refunds/Abatements[M]	0.000	mills	-
7. Other[N] (specify):	0.000	mills	-
	0.000	mills	-
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	77.414	**mills**	1,009,936.77

Contact person: (print) Eric Weaver Daytime phone: (970) 926-6060 x6

Signed: Eric Weaver 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).

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:	68.414
	Revenue:	$892,523.57

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

_______ County Tax Entity Code

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 2

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.	$ 5,720,520
2.	CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: ‡	2.	$ 13,045,920
3.	LESS TOTAL TIF AREA INCREMENTS, IF ANY:	3.	$ 0
4.	CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	4.	$ 13,045,920
5.	NEW CONSTRUCTION: *	5.	$ 8,755,037
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.	$ $2,726.40

‡ 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. CONSTUTION 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.	$ 184,831,219
	ADDITIONS TO TAXABLE REAL PROPERTY		
2.	CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: *	2.	$ 140,080,000
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 $ 184,831,219

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.	$13,045,920
2.	LESS TOTAL TIF AREA INCREMENTS, IF ANY:	2.	$0
3.	CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	3.	$13,045,920
4.	NEW CONSTRUCTION:	4.	$8,755,037
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.	$$0.00
8.	INCREASED VALUATION FOR ASSESSMENT ATTRIBUTABLE TO A CHANGE IN LAW FOR A PROPERTY TAX CLASSIFICATION* (29-1-306(3)(a), C.R.S.) and (39-10-114(1)(a)(I)(B), C.R.S.):	8.	$0
9.	TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a), C.R.S.) AND (39-10-114(1)(a)(I)(B), C.R.S):	9.	$$2,726.40
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.

______ County Tax Entity Code

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 2 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.	$5,720,520
2.	CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: ‡	2.	$13,045,920
3.	LESS TOTAL TIF AREA INCREMENTS, IF ANY:	3.	$0
4.	CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	4.	$13,045,920
5.	NEW CONSTRUCTION: *	5.	$8,755,037
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.	$$0.00
11.	TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a), C.R.S.) and (39-10-114(1)(a)(I)(B), C.R.S.):	11.	$$15,010.56

‡ 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. CONSTUTION 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.	$184,831,219
	ADDITIONS TO TAXABLE REAL PROPERTY		
2.	CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: *	2.	$140,080,000
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 **$184,831,219**

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.	$13,045,920
2.	LESS TOTAL TIF AREA INCREMENTS, IF ANY:	2.	$ 0
3.	CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	3.	$13,045,920
4.	NEW CONSTRUCTION:	4.	$ 8,755,037
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.	$$0.00
8.	INCREASED VALUATION FOR ASSESSMENT ATTRIBUTABLE TO A CHANGE IN LAW FOR A PROPERTY TAX CLASSIFICATION* (29-1-306(3)(a), C.R.S.) and (39-10-114(1)(a)(I)(B), C.R.S.):	8.	$0
9.	TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a), C.R.S.) AND (39-10-114(1)(a)(I)(B), C.R.S):	9.	$$15,010.56
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.

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

EXHIBIT C

Certification of Tax Levies

4431/4441 County Tax entity code DOLA LGID/SID 66871

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners[1] of Elbert County, Colorado.

On behalf of the Independence Metropolitan District No. 2
(taxing entity)[A]

the Board of Directors
(governing body)[B]

of the Independence Metropolitan District No. 2
(local government)[C]

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS assessed valuation of: $ 13,045,920
(Gross[D] assessed valuation, Line 2 of the Certification of Valuation From 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: $ 13,045,920
(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* (mm/dd/yyyy) for budget/fiscal year *2026* (yyyy).
(not later than Dec 15)

PURPOSE (see end notes for definitions and examples)	**LEVY**[2]		**REVENUE**[2]
1. General Operating Expenses[H]	12.439	mills	162,278.20
2. **<Minus>** Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction[I]	(3.439)	mills	(44,865.00)
SUBTOTAL FOR GENERAL OPERATING:	9.000	**mills**	117,413.20
3. General Obligation Bonds and Interest[J]	0.000	mills	-
4. Contractual Obligations[K]	68.414	mills	892,523.57
5. Capital Expenditures[L]	0.000	mills	-
6. Refunds/Abatements[M]	0.000	mills	-
7. Other[N] (specify):	0.000	mills	-
	0.000	mills	-
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	77.414	**mills**	1,009,936.77

Contact person: (print) Eric Weaver
Daytime phone: (970) 926-6060 x6
Signed: Eric Weaver
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).

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:	68.414
	Revenue:	$892,523.57
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. 2

FINANCIAL STATEMENTS
DECEMBER 31, 2025

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THE ADAMS GROUP, LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Independence Metropolitan District No. 2
Elbert County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Independence Metropolitan District No. 2, 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. 2'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. 2 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. 2, 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. 2'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. 2'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. 2'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. 2'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. 2
STATEMENT OF NET POSITION
DECEMBER 31, 2025

	Governmental Activities
Assets	
Cash	$ 85,158
Property taxes receivable	1,009,937
Due from County Treasurer	3,836
Prepaid items	2,774
Total assets	1,101,705
Liabilities	
Accounts payable	8,291
Due to District No. 3	58,722
Accrued interest payable	398
Developer advances - due in more than one year	8,000
Total liabilities	75,411
Deferred Inflows Of Resources	
Unavailable revenue - property taxes	1,009,937
Total deferred inflows of resources	1,009,937
Net Position	
Restricted:	
Emergency reserve	2,020
Unrestricted	14,337
Total net position	$ 16,357

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

INDEPENDENCE METROPOLITAN DISTRICT NO. 2
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 (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental Activities					
General government	$ 687,075	$ -	$ -	$ 305,118	$ (381,957)
Interest and fiscal charges	398	-	-	-	(398)
Total Governmental Activities	$ 687,473	$ -	$ -	$ 305,118	(382,355)
			General Revenues:		
			Property taxes		354,411
			Specific ownership taxes		44,666
			Total General Revenues		399,077
			Change in Net Position		16,722
			Net Position - Beginning		(365)
			Net Position - Ending		$ 16,357

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

INDEPENDENCE METROPOLITAN DISTRICT NO. 2
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	General Fund	Debt Service Fund	Total Governmental Funds
Assets			
Cash	$ 29,682	$ 55,476	$ 85,158
Property taxes receivable	117,413	892,524	1,009,937
Due from County Treasurer	590	3,246	3,836
Prepaid items	2,774	-	2,774
Total assets	$ 150,459	$ 951,246	$ 1,101,705
Liabilities, deferred inflows of resources, and fund balances			
Accounts payable	$ 8,291	$ -	$ 8,291
Due to District No. 3	-	58,722	$ 58,722
Total liabilities	8,291	58,722	67,013
Deferred Inflows Of Resources			
Unavailable revenue - property taxes	117,413	892,524	1,009,937
Total deferred inflows of resources	117,413	892,524	1,009,937
Fund Balance			
Nonspendable:			
Prepaid items	2,774	-	2,774
Restricted:			
Emergency reserve	2,020	-	2,020
Unassigned	19,961	-	19,961
Total fund balances	24,755	-	24,755
Total liabilities, deferred inflows of resources, and fund balances	$ 150,459	$ 951,246	$ 1,101,705

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

INDEPENDENCE METROPOLITAN DISTRICT NO. 2
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	$	24,755
Some liabilities are not due in the current period and, therefore, are not reported in the fund balance sheet.		
Developer advances		(8,000)
Accrued interest payable		(398)
Net Position of Governmental Activities	$	16,357

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

INDEPENDENCE METROPOLITAN DISTRICT NO. 2
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2025

	General Fund	Debt Service Fund	Total Governmental Funds
Revenues			
Property taxes	$ 54,479	$ 299,932	$ 354,411
Specific ownership taxes	6,842	37,824	44,666
System development fees	-	305,118	305,118
Total revenues	61,321	642,874	704,195
Expenditures			
Current:			
Accounting	5,082	-	5,082
Audit	8,750	-	8,750
Elections	1,253	-	1,253
Engineering	5,398	-	5,398
Insurance, bonds & SDA dues	3,822	-	3,822
Intergovernmental	-	633,871	633,871
Legal	6,541	-	6,541
District management	11,720	-	11,720
Treasurer's fees	1,635	9,003	10,638
Total expenditures	44,201	642,874	687,075
Excess of revenues over (under) expenditures	17,120	-	17,120
Other Financing Sources (Uses)			
Developer advances	6,000	-	6,000
Total other financing sources (uses)	6,000	-	6,000
Net change in fund balances	23,120	-	23,120
Fund balances, beginning of year	1,635	-	1,635
Fund balances, end of year	$ 24,755	$ -	$ 24,755

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

INDEPENDENCE METROPOLITAN DISTRICT NO. 2
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	$	23,120
The issuance of long-term debt (e.g., developer advances) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position.		
Developer advances		(6,000)
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 the Governmental funds.		
Change in accrued interest payable		(398)
Change in Net Position of Governmental Activities	$	16,722

NOTE 1 – DEFINITION OF REPORTING ENTITY

Independence Metropolitan District No. 2 (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 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.

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.

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 and repayment of Independence Metropolitan District No. 3 bonds.

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.

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 Tax (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.

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.

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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balances - Governmental Funds (Continued)

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.

NOTE 3 – CASH

As of December 31, 2025, the District's cash deposits had a bank balance of $89,286, and a carrying balance of $85,158.

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 – LONG-TERM OBLIGATIONS

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

	Balance 12/31/24	Additions	Deletions	Balance 12/31/25	Due Within One Year
Developer Advances	$ 2,000	$ 6,000	$ -	$ 8,000	$ -
	$ 2,000	$ 6,000	$ -	$ 8,000	$ -

Developer Advances

The District entered into an Advance and Reimbursement Agreement with CB Independence Holding Company, LLC (Developer), dated July 23, 2018, to repay advances made by the Developer to the District. The District agreed to repay the Developer for such advances plus accrued interest at the rate of the higher of 7% or the U.S. Prime Rate plus 2% as of the date of each advance. The District's Service Plan limits the interest rate to 8%.

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 were used to refund the Series 2019A, 2029B, 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 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 $633,871 for debt service related payments. This is recorded in the debt service fund as an intergovernmental expenditure.

NOTE 4 – LONG-TERM OBLIGATIONS (CONTINUED)

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. On May 2, 2023, a majority of qualified electors of the District authorized the issuance of additional indebtedness in an amount not to exceed $270,780,000. Total voter authorized and remaining debt was $566,300,000 as of December 31, 2025.

NOTE 5 – 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.

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 6 – 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.

NOTE 6 – TAX, SPENDING AND DEBT LIMITATIONS (CONTINUED)

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 $2,020 as of December 31, 2025.

On November 7, 2017, the District's voters passed an election question authorizing 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.

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 7 – 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 received advances from the Developer totaling $6,000. As of December 31, 2025, the District owed the Developer $8,000 of outstanding principal and accrued interest payable of $398.

During the year ended December 31, 2025, the District paid Independence Metropolitan District No. 3 a total of $633,871 for debt service related payments. This is recorded in the debt service fund as an intergovernmental expenditure. As of December 31, 2025, the District owed Independence Metropolitan District No. 3 $58,722.

REQUIRED SUPPLEMENTARY INFORMATION

INDEPENDENCE METROPOLITAN DISTRICT NO. 2
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED DECEMBER 31, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Property taxes	$ 57,205	$ 57,205	$ 54,479	$ (2,726)
Specific ownership taxes	3,432	7,151	6,842	(309)
Total revenues	60,637	64,356	61,321	(3,035)
Expenditures				
Current:				
Accounting	-	10,000	5,082	4,918
Audit	9,500	9,500	8,750	750
Elections	2,000	2,000	1,253	747
Engineering	10,000	10,000	5,398	4,602
Insurance, bonds & SDA dues	4,700	4,700	3,822	878
Legal	8,000	8,000	6,541	1,459
District management	10,000	10,000	11,720	(1,720)
Treasurer's fees	858	1,716	1,635	81
Contingency / emergencies	10,000	25,000	-	25,000
Debt service:				
Developer repayment - principal	35,000	35,000	-	35,000
Total expenditures	90,058	115,916	44,201	71,715
Excess of revenues over (under) expenditures	(29,421)	(51,560)	17,120	68,680
Other Financing Sources				
Developer advances	35,000	59,000	6,000	(53,000)
Net change in fund balance	5,579	7,440	23,120	15,680
Fund balance, beginning of year	13,015	1,634	1,635	-
Fund balance, end of year	$ 18,594	$ 9,074	$ 24,755	$ 15,680

SUPPLEMENTARY INFORMATION

INDEPENDENCE METROPOLITAN DISTRICT NO. 2
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL – DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Property taxes	$ 314,943	$ 299,932	$ (15,011)
Specific ownership taxes	18,897	37,824	18,927
System development fees	1,202,240	305,118	(897,122)
Total revenues	1,536,080	642,874	(893,206)
Expenditures			
Intergovernmental	1,526,632	633,871	892,761
Treasurer's fees	9,448	9,003	445
Total expenditures	1,536,080	642,874	893,206
Net change in fund balance	-	-	-
Fund balance, beginning of year	-	-	-
Fund balance, end of year	$ -	$ -	$ -