ANNUAL REPORT

As required by Section VI of the Amended and Restated Service Plan of the Independence Overlay Metropolitan District (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 Overlay Metropolitan District
Report for Calendar Year	2025
(i) Description of Services Provided by the District	The District is a Title 32 Special District that was organized in 2017. The District acts in lieu of a homeowners association and is authorized to acquire, construct, finance, operate, and maintain public improvements, including recreation facilities and common space areas, 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. The District's 2025 Audit has not yet been completed and will be provided upon completion.
(iii) Current Mill Levy	The current assessed valuation of the District is $27,225,690 and the District's mill levy has been certified at 16.868 mills for the current tax year. The source of operating funds in 2025 was primarily the District's property tax mill levy, supplemented by developer advances as required.
(iv) Board of Directors	The Metropolitan District is governed by a seven (7) person, publicly elected, Board of Directors currently consisting of the following persons: • Timothy Craft, Term Expires May 2027 • Randall David Roberts, Term Expires May 2027 • Kevin Haughn, Term Expires May 2027 • David Gallo, Term Expires May 2027 • Taylor Graham, Term Expires May 2027 • James Yates, Term Expires May 2029 • Laura Gebers-DeKowzan, Term Expires May 2029
(v) Times and Locations for Board Meetings	The Board has determined that a regular meeting will be held on November 18, 2026 at 6:00 p.m. 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.independenceoverlaymd.org/. In the event the website is not available, the designated physical location for posting is 39099 Hancock Parkway, Elizabeth, CO.
(viii) 2025 Election Results	The regular election scheduled for May 6, 2025 was cancelled by the Designated Election Official pursuant to Section 1-13.5-513, C.R.S., because at the close of business on the sixty-third day before the election there were not more candidates for director than offices to be filled, including candidates filing affidavits of intent to be write-in candidates. The following candidates were declared elected by acclamation: Taylor Graham, two-year term, until May 2027; William James Bridgham, four-year term, until May 2029; and James Yates, four-year term, until May 2029.
(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 Craft, Roberts, Haughn, Gallo, and Graham 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_pu/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 is party to an Intergovernmental Agreement with the Elizabeth Parks and Recreation Department dated June 9, 2017. 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.independenceoverlaymd.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.independenceoverlaymd.org/.

(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 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@publicalliancellc.com or 720-213-6621.

EXHIBIT A

2026 Budget

INDEPENDENCE OVERLAY METROPOLITAN DISTRICT

January 28, 2026

Division of Local Government
Via: E-Filing Portal

RE: Independence Overlay Metropolitan District
LG ID #66874

Attached is the 2026 Budget for the Independence Overlay Metropolitan District in Elbert County, Colorado, submitted pursuant to Section 29-1-116, C.R.S. This Budget was adopted on November 25, 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 18.686 mills for all general operating purposes, subject to statutory and/or TABOR limitations; 0.000 mills for G.O. bonds; 0.000 mills for refund/abatement; and (1.818) mills for Temporary Tax Credit/Mill Levy Reduction. Based on an assessed valuation of $27,225,690 the total property tax revenue is $459,242.94. 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 OVERLAY METROPOLITAN DISTRICT

RESOLUTION TO ADOPT 2026 BUDGET

WHEREAS, the Board of Directors ("**Board**") of the Independence Overlay Metropolitan District ("**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 25, 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 Overlay Metropolitan District:

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

General Fund:	$	1,193,012

Docusign Envelope ID: 572A0D00-44C3-4321-B53A-14D259E7C091

2. That estimated revenues are as follows:

General Fund:

From unappropriated surpluses	$(48,719)
From developer advances	$324,000
From sources other than general property tax	$408,992
From general property tax	$508,739
Total	$1,193,012

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 $459,242.94; and

WHEREAS, the 2025 valuation for assessment of the District, as certified by the County Assessor, is $27,225,690.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Independence Overlay Metropolitan District:

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 1.818 mills) there is hereby levied a property tax, inclusive of the mill levy for refunds and abatements, of 16.868 mills upon each dollar of the total valuation for assessment of all taxable property within the District to raise $459,242.94.

2. 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.

Docusign Envelope ID: 572A0D00-44C3-4321-B53A-14D259E7C091

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 Overlay Metropolitan District 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:	$ 1,193,012

Adopted this 25th day of November, 2025.

INDEPENDENCE OVERLAY
METROPOLITAN DISTRICT

By:______________________________
Chair

ATTEST:

Signed by:
Jim Yates
91EFBCD306F8403...
Secretary

INDEPENDENCE OVERLAY METROPOLITAN DISTRICT

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 16.868 mills for operations (15.000 mills adjusted for legislative changes to 18.686 mills, net of a 1.818 mill temporary reduction for the 5.25% revenue growth limitation). The District also charges fees for trash and recycle service, architectural review, community center rentals, and other services provided. Any shortfalls in funding for operations are anticipated to be funded by developer advances.

EXPENDITURES

The District budgeted for administrative and operational expenditures to be accounted for in the General Fund.

Independence Overlay Metropolitan District
Statement of Net Position
September 30, 2025

	General Fund	Fixed Assets & LTD	Total
ASSETS			
CASH			
KeyBank Checking	36,140		**36,140**
TOTAL CASH	**36,140**	**-**	**36,140**
OTHER CURRENT ASSETS			
Due From County Treasurer	-		**-**
Accounts Receivable	-		**-**
Trash & Recycling Receivable	23,646		**23,646**
Property Tax Receivable	6,194		**6,194**
Prepaid Expense	-		**-**
TOTAL OTHER CURRENT ASSETS	**29,840**	**-**	**29,840**
FIXED ASSETS			
Construction in Progress			**-**
TOTAL FIXED ASSETS	**-**	**-**	**-**
TOTAL ASSETS	**65,980**	**-**	**65,980**
LIABILITIES & DEFERED INFLOWS			
CURRENT LIABILITIES			
Accounts Payable	-		**-**
Prepaid Trash & Recycling	958		**958**
TOTAL CURRENT LIABILITIES	**958**	**-**	**958**
DEFERRED INFLOWS			
Deferred Property Taxes	6,194		**6,194**
Deferred Trash & Recycling Revenue	23,646		**23,646**
TOTAL DEFERRED INFLOWS	**29,840**	**-**	**29,840**
LONG-TERM LIABILITIES			
Developer Payable- Operations		27,668	**27,668**
Accrued Int- Developer Payable- Cap			**-**
TOTAL LONG-TERM LIABILITIES	**-**	**27,668**	**27,668**
TOTAL LIAB & DEF INFLOWS	**30,798**	**27,668**	**58,466**
NET POSITION			
Inv in Capital Assets			**-**
Amount to be Provided for Debt		(27,668)	**(27,668)**
Fund Balance- Non-Spendable	-		**-**
Fund Balance- Restricted	28,889		**28,889**
Fund Balance- Unassigned	6,293		**6,293**
TOTAL NET POSITION	**35,182**	**(27,668)**	**7,514**
	=	=	=

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

	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	**12,660,653**	**18,652,430**	**18,652,430**	**18,652,430**				**27,225,690**	Final AV
Mill Levy - Operations	15.000	15.000	15.000	15.000				18.686	15 Mills Adjusted
Mill Levy - Operations- Temp Reduction	-	-	-	-				(1.818)	Required Reduction For Revenue Limitation
Total Mill Levy	**15.000**	**15.000**	**15.000**	**15.000**				**16.868**	15 Mills Adjusted, Net of Required Reduction
Property Tax Revenue - Operations	189,910	279,786	279,786	279,786				508,739	15 Mills Adjusted
Property Tax Revenue - Temp Reduction	-	-	-	-				(49,496)	Required Reduction For Revenue Limitation
Total Property Taxes	**189,910**	**279,786**	**279,786**	**279,786**				**459,243**	15 Mills Adjusted, Net of Required Reduction

Independence Overlay Metropolitan District **Print Date: 1/28/26**

Statement of Revenues, Expenditures, & Changes In Fund Balance

Modified Accrual Basis For the Period Indicated

COMBINED FUNDS	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
REVENUE									
Property Taxes	199,288	279,786	279,786	275,697	273,592	279,786	(6,195)	508,739	Property Taxes
Specific Ownership Taxes	25,330	16,787	34,973	34,462	25,508	11,191	14,317	63,592	12.5% of Property Taxes
Transfer from Other Districts	509,203	-	142,334	142,334	142,332	-	142,332	132,000	See General Fund Detail
Trash, Architectural Review, & Other Fees	96,741	189,700	189,700	181,400	130,696	142,275	(11,579)	213,400	See General Fund Detail
Interest & Other Income	161	-	-	70	57	-	57	-	See General Fund Detail
TOTAL REVENUE	**830,723**	**486,273**	**646,794**	**633,963**	**572,185**	**433,253**	**138,932**	**917,732**	
EXPENDITURES									
Administration									
Professional Services	107,446	70,500	140,500	150,000	94,775	69,250	(25,525)	213,300	See General Fund Detail
Treasurer's Fees	5,983	8,394	8,394	8,271	8,211	6,295	(1,916)	15,262	3% of Property Taxes
Insurance, Website, Election, Other	26,728	31,000	31,000	28,438	27,635	31,000	3,365	35,000	See General Fund Detail
Contingency	-	6,000	100,000	-	-	4,500	4,500	100,000	Unforeseen Needs
Operations									
Community Center & Swimming Pool	205,983	188,000	188,000	183,000	136,359	141,000	4,641	188,000	See General Fund Detail
Landscape Maintenance & Utilities	98,484	106,000	156,000	130,750	88,964	79,500	(9,464)	184,750	See General Fund Detail
Trash, Snow Removal, Other	172,860	260,600	297,600	268,003	191,407	195,450	4,043	324,700	See General Fund Detail
TOTAL EXPENDITURES	**617,486**	**670,494**	**921,494**	**768,462**	**547,351**	**526,995**	**(20,356)**	**1,061,012**	
REVENUE OVER / (UNDER) EXPENDITURES	**213,238**	**(184,220)**	**(274,700)**	**(134,499)**	**24,833**	**(93,742)**	**118,576**	**(143,281)**	
OTHER SOURCES / (USES)									
Developer Advances	302,000	185,000	473,000	329,000	145,000	138,750	6,250	324,000	To Cover Shortfall
Developer Advance Repayments	(509,203)	-	(142,332)	(142,334)	(142,332)	-	(142,332)	(132,000)	Equal to Impact Fees From District No. 3
TOTAL OTHER SOURCES / (USES)	**(207,203)**	**185,000**	**330,668**	**186,666**	**2,668**	**138,750**	**(136,082)**	**192,000**	
CHANGE IN FUND BALANCE	**6,034**	**779**	**55,968**	**52,167**	**27,501**	**45,007**	**(17,506)**	**48,719**	
BEGINNING FUND BALANCE	**1,646**	**4,273**	**7,680**	**7,680**	**7,680**	**4,273**	**3,407**	**59,847**	
ENDING FUND BALANCE	**7,680**	**5,052**	**63,649**	**59,847**	**35,182**	**49,280**	**(14,098)**	**108,567**	
	=	=	=	=	=	=	=	=	
COMPONENTS OF FUND BALANCE									
Non-Spendable	23,331	-	30,000	30,000	-			31,500	
TABOR Emergency Reserve	-	-	33,594	28,889	28,889			37,252	
Unassigned	(15,651)	5,052	55	958	6,293			39,815	
TOTAL ENDING FUND BALANCE	**7,680**	**5,052**	**63,649**	**59,847**	**35,182**			**108,567**	
	=	=	=	=	=			=	

Independence Overlay Metropolitan District
Statement of Revenues, Expenditures, & Changes In Fund Balance
Modified Accrual Basis For the Period Indicated

Print Date: 1/28/26

	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	199,288	279,786	279,786	275,697	273,592	279,786	(6,195)	508,739	Property Taxes
Specific Ownership Taxes	25,330	16,787	34,973	34,462	25,508	11,191	14,317	63,592	12.5% of Property Taxes
Transfer from District No. 3	509,203	-	142,334	142,334	142,332	-	142,332	132,000	Per District No. 3 Budget
Interest Income	161	-	-	70	57	-	57	-	Based on 2025 Budget
Miscellaneous Income		-	-	-		-	-	-	Based on 2025 Forecast
Status Letter Fees	5,920	3,500	3,500	6,000	4,544	2,625	1,919	6,000	Based on 2025 Budget
Architectural Review Fees	19,550	45,000	45,000	30,000	22,450	33,750	(11,300)	30,000	Based on 2025 Forecast
Trash & Recycling	69,771	140,000	140,000	143,000	102,162	105,000	(2,838)	175,000	Additional Units Being Added Plus Fee Increase
Community Center Rental	1,300	1,200	1,200	1,200	900	900	-	1,200	Based on 2025 Forecast
Late Fees	200	-	-	1,200	640	-	640	1,200	Based on 2025 Budget
TOTAL REVENUE	**830,723**	**486,273**	**646,794**	**633,963**	**572,185**	**433,253**	**138,932**	**917,732**	

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

Independence Overlay Metropolitan District
Statement of Revenues, Expenditures, & Changes In Fund Balance
Modified Accrual Basis For the Period Indicated

Print Date: 1/28/26

	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 (CONTINUED)									
EXPENDITURES									
Administration									
Accounting	-	-	10,000	10,000	-	-	-	40,000	M&W Estimate
Audit	-	500	500	10,000	10,000	500	(9,500)	10,300	Per Engagement Letter
District Management	86,074	50,000	110,000	110,000	70,283	50,000	(20,283)	138,000	Public Alliance Estimate
Legal	14,559	15,000	15,000	20,000	14,492	15,000	508	20,000	Based on 2025 Budget
Engineering	6,813	5,000	5,000	-	-	3,750	3,750	5,000	Potential New Parks
Treasurer's Fees	5,983	8,394	8,394	8,271	8,211	6,295	(1,916)	15,262	3% of Property Taxes
Office Supplies, Bill.com Fees, Other	1,890	1,500	1,500	2,000	1,617	1,500	(117)	3,000	Bill.com & Other Misc
Election	-	2,000	2,000	572	572	2,000	1,429	500	Prep Work for 2027 Election
Insurance, Bonds & SDA Dues	23,978	26,000	26,000	24,366	24,366	26,000	1,634	30,000	Based on 2025 Forecast
Website	860	1,500	1,500	1,500	1,080	1,500	420	1,500	Based on 2025 Forecast
Community Center Supplies	5,074	8,000	8,000	8,000	-	6,000	6,000	8,000	Based on 2025 Forecast
Community Center Maintenance	15,709	15,000	15,000	15,000	1,625	11,250	9,625	25,000	$15k Plus $10k for New Security System
Swimming Pool Maintenance	76,036	40,000	40,000	60,000	50,284	30,000	(20,284)	45,000	Replastered in 2025
Swimming Pool Management	109,165	125,000	125,000	100,000	84,450	93,750	9,300	110,000	$103k Contract Plus Extras
Landscaping Contract	69,152	50,000	100,000	100,000	72,987	37,500	(35,487)	128,000	Based on 2025 Forecast
Landscaping Repairs & Maintenance	-	6,000	6,000	4,000	1,076	4,500	3,424	6,000	Based on 2025 Budget
Landscaping Irrigation Repairs	12,102	15,000	15,000	6,000	4,394	11,250	6,856	10,000	Estimated Need
Landscaping Trail Maintenance	-	-	-	-	-	-	-	10,000	Estimated Need
Utilities	17,230	30,000	30,000	20,000	10,231	22,500	12,269	30,000	Based on 2025 Budget
Internet	-	5,000	5,000	750	276	3,750	3,474	750	Based on 2025 Forecast
Design Review Fees	23,778	45,000	45,000	30,000	20,220	33,750	13,530	30,000	Based on 2025 Forecast
Irrigation Water	-	10,000	10,000	-	-	7,500	7,500	-	Assume No Charge From W&S District
Signage	-	-	17,000	17,003	17,003	-	(17,003)	10,000	Estimated Need
Park & Open Space Maintenance	4,638	15,000	15,000	20,000	17,543	11,250	(6,293)	25,000	New Parks
Playground Inspections	-	-	-	-	-	-	-	5,000	Estimated Need
Pest Control	-	-	-	1,000	875	-	(875)	2,500	Mice Traps & Prairie Dog Control
Repairs	14,325	-	20,000	20,000	17,931	-	(17,931)	25,000	Based on 2025 Forecast
Snow Removal	52,520	50,000	50,000	35,000	27,917	37,500	9,583	50,000	Based on 2025 Budget
Trash & Recycling - Residents	77,281	140,000	140,000	143,000	88,393	105,000	16,607	175,000	Assume Equal to Revenues
Trash - Community Center	318	600	600	2,000	1,525	450	(1,075)	2,200	Based on Forecast
Contingency /Emergencies		6,000	100,000	-		4,500	4,500	100,000	Unforeseen Needs
TOTAL EXPENDITURES	**617,486**	**670,494**	**921,494**	**768,462**	**547,351**	**526,995**	**(20,356)**	**1,061,012**	
REVENUE OVER / (UNDER) EXPENDITURES	**213,238**	**(184,220)**	**(274,700)**	**(134,499)**	**24,833**	**(93,742)**	**118,576**	**(143,281)**	
OTHER SOURCES / (USES)									
Developer Advance	302,000	185,000	473,000	329,000	145,000	138,750	6,250	324,000	To Cover Shortfall
Developer Advance Repayment	(509,203)	-	(142,332)	(142,334)	(142,332)	-	(142,332)	(132,000)	Equal to Impact Fees From District No. 3
TOTAL OTHER SOURCES / (USES)	**(207,203)**	**185,000**	**330,668**	**186,666**	**2,668**	**138,750**	**(136,082)**	**192,000**	
CHANGE IN FUND BALANCE	**6,034**	**779**	**55,968**	**52,167**	**27,501**	**45,007**	**(17,506)**	**48,719**	
BEGINNING FUND BALANCE	**1,646**	**4,273**	**7,680**	**7,680**	**7,680**	**4,273**	**3,407**	**59,847**	
ENDING FUND BALANCE	**7,680**	**5,052**	**63,649**	**59,847**	**35,182**	**49,280**	**(14,098)**	**108,567**	
	=	=	=		=	=	=	=	

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

4434 County Tax entity code — DOLA LGID/SID 66874

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

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

On behalf of the Independence Overlay Metropolitan District
(taxing entity)[A]

the Board of Directors
(governing body)[B]

of the Independence Overlay Metropolitan District
(local government)[C]

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS assessed valuation of: $ 27,225,690
(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: $ 27,225,690
(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]	18.686	mills	508,739.24
2. **<Minus>** Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction[I]	(1.818)	mills	(49,496.30)
SUBTOTAL FOR GENERAL OPERATING:	16.868	**mills**	459,242.94
3. General Obligation Bonds and Interest[J]	0.000	mills	-
4. Contractual Obligations[K]	0.000	mills	-
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]	16.868	**mills**	459,242.94

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).

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 OVERLAY METRO DIST

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.	$ 18,652,430
2.	CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: ‡	2.	$27,225,690
3.	LESS TOTAL TIF AREA INCREMENTS, IF ANY:	3.	$0
4.	CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	4.	$27,225,690
5.	NEW CONSTRUCTION: *	5.	$9,060,020
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.	$$0.00
11.	TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a), C.R.S.) and (39-10-114(1)(a)(I)(B), C.R.S.):	11.	$$4,089.60

‡ 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.	$388,829,570
	ADDITIONS TO TAXABLE REAL PROPERTY		
2.	CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: *	2.	$144,959,700
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 **$388,829,570**

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.	$27,225,690
2.	LESS TOTAL TIF AREA INCREMENTS, IF ANY:	2.	$ 0
3.	CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	3.	$27,225,690
4.	NEW CONSTRUCTION:	4.	$ 9,060,020
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.	$$0.00
8.	INCREASED VALUATION FOR ASSESSMENT ATTRIBUTABLE TO A CHANGE IN LAW FOR A PROPERTY TAX CLASSIFICATION* (29-1-306(3)(a), C.R.S.) and (39-10-114(1)(a)(I)(B), C.R.S.):	8.	$0
9.	TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a), C.R.S.) AND (39-10-114(1)(a)(I)(B), C.R.S):	9.	$$4,089.60
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

2026 Certification of Tax Levies

4434 County Tax entity code | DOLA LGID/SID 66874

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

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

On behalf of the Independence Overlay Metropolitan District
(taxing entity)[A]

the Board of Directors
(governing body)[B]

of the Independence Overlay Metropolitan District
(local government)[C]

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS assessed valuation of: $ 27,225,690
(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: $ 27,225,690
(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]	18.686	mills	508,739.24
2. **<Minus>** Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction[I]	(1.818)	mills	(49,496.30)
SUBTOTAL FOR GENERAL OPERATING:	16.868	**mills**	459,242.94
3. General Obligation Bonds and Interest[J]	0.000	mills	-
4. Contractual Obligations[K]	0.000	mills	-
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]	16.868	**mills**	459,242.94

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).

EXHIBIT D

2025 Audit

INDEPENDENCE OVERLAY METROPOLITAN DISTRICT

FINANCIAL STATEMENTS
DECEMBER 31, 2025

TABLE OF C O N T E N T S

THE ADAMS GROUP, LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Independence Overlay Metropolitan District
Elbert County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of Independence Overlay Metropolitan District, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise Independence Overlay Metropolitan District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of Independence Overlay Metropolitan District 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 Overlay Metropolitan District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter – Restatement of Beginning Net Position

As discussed in Note 8 to the financial statements, the beginning net position as of January 1, 2025 has been restated to correct an error in previously issued financial statements. Our opinions are not modified with respect to this matter.

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 Overlay Metropolitan District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 Overlay Metropolitan District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Independence Overlay Metropolitan District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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.

The Adams Group, LLC

Greenwood Village, CO
July 15, 2026

INDEPENDENCE OVERLAY METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2025

	Governmental Activities
Assets	
Cash	$ 6,867
Operating fees receivable	186,646
Property taxes receivable	459,243
Due from County Treasurer	2,884
Prepaid items	23,178
Total assets	678,818
Liabilities	
Accounts payable	54,698
Accrued interest payable	2,338
Developer advances - due in more than one year	200,000
Total liabilities	257,036
Deferred Inflows Of Resources	
Unavailable revenue - operating fees	163,000
Unavailable revenue - property taxes	459,243
Total deferred inflows of resources	622,243
Net Position	
Restricted:	
Emergency reserve	28,040
Unrestricted	(228,501)
Total net position	$ (200,461)

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

INDEPENDENCE OVERLAY METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental Activities					
General government	$ 798,153	$ 165,342	$ -	$ -	$ (632,811)
Interest and fiscal charges	4,670	-	-	-	(4,670)
Total Governmental Activities	$ 802,823	$ 165,342	$ -	$ -	(637,481)
		General Revenues:			
		Property taxes			275,697
		Specific ownership tax			35,479
		Intergovernmental			142,332
		Interest income			192
		Late fees & fines			640
		Total General Revenues			454,340
		Net Position - Beginning, as previously reported			65,744
		Restatement - See Note 8			(83,064)
		Net Position - Beginning, as restated			(17,320)
		Change in Net Position			(183,141)
		Net Position - Ending			$ (200,461)

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

INDEPENDENCE OVERLAY METROPOLITAN DISTRICT
BALANCE SHEET – GOVERNMENTAL FUND
DECEMBER 31, 2025

	General Fund
Assets	
Cash	$ 6,867
Operating fees receivable	186,646
Property taxes receivable	459,243
Due from County Treasurer	2,884
Prepaid items	23,178
Total assets	$ 678,818
Liabilities, deferred inflows of resources, and fund balances	
Accounts payable	$ 54,698
Total liabilities	54,698
Deferred Inflows of Resources	
Unavailable revenue - operating fees	163,000
Unavailable revenue - property taxes	459,243
Total deferred inflows of resources	622,243
Fund Balance	
Nonspendable:	
Prepaid items	23,178
Restricted:	
Emergency reserve	28,040
Unassigned (deficit)	(49,341)
Total fund balances	1,877
Total liabilities, deferred inflows of resources, and fund balances	$ 678,818

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

INDEPENDENCE OVERLAY METROPOLITAN DISTRICT
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUND 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 fund	$	1,877
Some liabilities are not due in the current period and, therefore, are not reported in the fund balance sheet.		
Developer advances		(200,000)
Accrued interest payable		(2,338)
Net Position of Governmental Activities	$	(200,461)

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

INDEPENDENCE OVERLAY METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN
FUND BALANCE – GOVERNMENTAL FUND
YEAR ENDED DECEMBER 31, 2025

		General Fund
Revenues		
Property taxes	$	275,697
Specific ownership tax		35,479
Intergovernmental		142,332
Status letter fee		6,432
Architectural review fee		26,450
Trash & recycling		131,160
Community center rental		1,300
Interest income		192
Late fees & fines		640
Total revenues		619,682
Expenditures		
Current:		
Accounting		9,287
Audit		10,000
District management		116,040
Legal		34,525
Treasurer's fees		8,278
Office supplies, Bill.com fees, other		1,631
Elections		572
Insurance, bonds & SDA dues		24,366
Website		1,446
Community center supplies		1,233
Community center maintenance		9,912
Swimming pool maintenance		64,824
Swimming pool management		107,300
Landscaping contract		130,637
Landscaping repairs & maintenance		5,448
Landscaping irrigation repairs		6,121
Utilities		13,544
Internet		276
Design review fees		30,885
Signage		17,307
Park & open space maintenance		20,483
Repairs		25,797
Snow removal		32,992
Trash & recycling - residential		122,971
Trash - community center		2,278

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

INDEPENDENCE OVERLAY METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN
FUND BALANCE – GOVERNMENTAL FUND
YEAR ENDED DECEMBER 31, 2025

Expenditures (Continued)	
Debt service:	
Developer advance repayment - principal	140,000
Developer advance repayment - interest	2,332
Total expenditures	940,485
Excess of revenues over (under) expenditures	(320,803)
Other Financing Sources (Uses)	
Developer advances	315,000
Total other financing sources (uses)	315,000
Net change in fund balances	(5,803)
Fund balances, beginning of year	7,680
Fund balances, end of year	$ 1,877

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

INDEPENDENCE OVERLAY METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE 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 fund	$	(5,803)
The issuance of long-term debt (e.g., developer advances) provides current financial resources to governmental fund, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental fund. Neither transaction, however, has any effect on net position.		
Developer advances		(315,000)
Payment of principal - developer advances		140,000
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 fund.		
Change in accrued interest payable		(2,338)
Change in Net Position of Governmental Activities	$	(183,141)

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

NOTE 1 – DEFINITION OF REPORTING ENTITY

Independence Overlay Metropolitan District (District), a quasi-municipal corporation and political subdivision of the State of Colorado was established on January 16, 2018 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 ongoing maintenance, repair, replacement and operation of the Development's parks and recreation facilities, storm drainage, open space, and public landscaping, the provision of covenant design, review and control enforcement services, and all necessary, incidental and appurtenant services, facilities and improvements thereto within the boundaries of the Development.

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)
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.

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, specific ownership taxes, and service fees (e.g., trash & recycling, etc.). 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 fund:

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.

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

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.

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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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. 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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Balances - Governmental Funds (Continued)

Unassigned fund balance – amounts that are available for any purpose. The District has a deficit in unassigned fund balance. The deficit is primarily a result of accumulated operating losses.

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.

Net Position

The District has a deficit in unrestricted net position. The deficit is a result of accumulated operating losses.

NOTE 3 – CASH

As of December 31, 2025, the District's cash deposits had a bank balance of $101,715, and a carrying balance of $6,867.

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	$ 25,000	$ 315,000	$ (140,000)	$ 200,000	$ -
	$ 25,000	$ 315,000	$ (140,000)	$ 200,000	$ -

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 interest to 8%.

Authorized Debt

Pursuant to the terms of its service plan, the District is not authorized to issue bonds or any other form of debt without first amending the service plan.

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.

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 $28,040 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 of Directors are employed, owners of, or consultants of the Developer.

NOTE 7 – RELATED PARTIES (CONTINUED)

During the year ended December 31, 2025, the District received advances from the Developer totaling $315,000. During the year ended December 31, 2025, the District repaid principal and interest to the Developer totaling $142,332. As of December 31, 2025, the District owed the Developer $200,000 of outstanding principal and accrued interest of $2,338.

During the year ended December 31, 2025, the District received $142,332 transferred from Independence Metropolitan District No. 3 which is included in "Intergovernmental" revenues in the accompanying statement of revenues, expenditures, and changes in fund balances.

Independence Water & Sanitation District is responsible for billing trash and recycling fees on behalf of the District. During the year ended December 31, 2025, the District recorded $131,160 of revenue billed by the Independence Water & Sanitation District which is included in "Trash & recycling" in the accompanying statement of revenues, expenditures, and changes in fund balances. As of December 31, 2025, the District recognized a receivable due from Independence Water & Sanitation District totaling $186,646.

NOTE 8 – RESTATEMENT

During the year ended December 31, 2025, the District identified an error in the prior year related to trash and recycling fees applicable the 2025 annual service period that were improperly recognized as revenue as "Charges for Services" in the statement of activities. The error resulted in an overstatement of beginning net position of governmental activities as of January 1, 2025. In accordance with GASB Statement No. 100, Accounting Changes and Error Corrections, the error has been corrected by restating beginning net position for governmental activities as of January 1, 2025. The restatement had no impact on fund balance as of January 1, 2025. The effect of the restatement on beginning net position is as follows:

	As Previously Reported	Error Correction	As Restated
Net Position - Beginning	$ 65,744	$ (83,064)	$ (17,320)

REQUIRED SUPPLEMENTARY INFORMATION

INDEPENDENCE OVERLAY METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE 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)
Revenues				
Property taxes	$ 279,786	$ 279,786	$ 275,697	$ (4,089)
Specific ownership tax	16,787	34,975	35,479	504
Intergovernmental	-	142,334	142,332	(2)
Status letter fee	3,500	3,500	6,432	2,932
Architectural review fee	45,000	45,000	26,450	(18,550)
Trash & recycling	140,000	140,000	131,160	(8,840)
Community center rental	1,200	1,200	1,300	100
Interest income	-	-	192	192
Late fees & fines	-	-	640	640
Total revenues	486,273	646,795	619,682	(27,113)
Expenditures				
Current:				
Accounting	-	10,000	9,287	713
Audit	500	500	10,000	(9,500)
District management	50,000	110,000	116,040	(6,040)
Legal	15,000	15,000	34,525	(19,525)
Engineering	5,000	5,000	-	5,000
Treasurer's fees	8,394	8,394	8,278	116
Office supplies, Bill.com fees, other	1,500	1,500	1,631	(131)
Elections	2,000	2,000	572	1,428
Insurance, bonds & SDA dues	26,000	26,000	24,366	1,634
Website	1,500	1,500	1,446	54
Community center supplies	8,000	8,000	1,233	6,767
Community center maintenance	15,000	15,000	9,912	5,088
Swimming pool maintenance	40,000	40,000	64,824	(24,824)
Swimming pool management	125,000	125,000	107,300	17,700
Landscaping contract	50,000	100,000	130,637	(30,637)
Landscaping repairs & maintenance	6,000	6,000	5,448	552
Landscaping irrigation repairs	15,000	15,000	6,121	8,879
Utilities	30,000	30,000	13,544	16,456
Internet	5,000	5,000	276	4,724
Design review fees	45,000	45,000	30,885	14,115
Irrigation water	10,000	10,000	-	10,000
Signage	-	17,000	17,307	(307)
Park & open space maintenance	15,000	15,000	20,483	(5,483)
Repairs	-	20,000	25,797	(5,797)
Snow removal	50,000	50,000	32,992	17,008
Trash & recycling - residential	140,000	140,000	122,971	17,029
Trash - community center	600	600	2,278	(1,678)
Contingency / emergencies	6,000	100,000	-	100,000

INDEPENDENCE OVERLAY METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE 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)
Expenditures (Continued)				
Debt service:				
Developer advance repayment - principal	-	140,000	140,000	-
Developer advance repayment - interest	-	2,332	2,332	-
Total expenditures	670,494	1,063,826	940,485	123,341
Excess of revenues over (under) expenditures	(184,221)	(417,031)	(320,803)	96,228
Other Financing Sources				
Developer advances	185,000	473,000	315,000	(158,000)
Net change in fund balance	779	55,969	(5,803)	(61,772)
Fund balance, beginning of year	4,273	7,680	7,680	-
Fund balance, end of year	$ 5,052	$ 63,649	$ 1,877	$ (61,772)