

## **MIGHTY ARGO METROPOLITAN DISTRICT NOS. 1-3**

### **SUPPLEMENT TO THE 2025 ANNUAL REPORT**

Pursuant to §32-1-207(3)(c) and the Consolidated Service Plan for Mighty Argo Metropolitan District Nos. 1-3 (each a "District") are quasi-municipal corporations and political subdivisions of the State of Colorado, the Districts are required to provide an annual report to the City of Idaho Springs with regard to the following matters:

For the year ending December 31, 2025, the District makes the following supplemental report:

#### **§32-1-207(3) Statutory Requirements**

- 1. A copy of the audited financial statements, if required by the “Colorado Local Government Audit Law”, part 6 of article 1 of title 29, or the application for exemption from audit, as applicable.**

The 2025 Audit for District No. 2 is attached here to as **Exhibit A**.

### **Service Plan Requirements**

- 1. Audit of the Districts' financial statements, for the year ending December 31 of the previous year, prepared in accordance with generally accepted accounting principles or audit exemption, if applicable.**

The 2025 Audit for District No. 2 is attached here to as **Exhibit A**.

**EXHIBIT A**  
**2025 Audit, District No. 2**

# **Mighty Argo Metropolitan District No. 2**

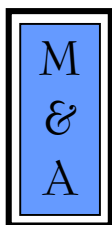
**Financial Statements**

**December 31, 2025**

**Mighty Argo Metropolitan District No. 2  
Financial Statements  
December 31, 2025**

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# McMAHAN AND ASSOCIATES, L.L.C.

*Certified Public Accountants and Consultants*

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## INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors  
Mighty Argo Metropolitan District No. 2  
Idaho Springs, Colorado**

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and each major fund of Mighty Argo Metropolitan District No. 2 (the "District"), as of and for the year ended December 31, 2025, which collectively comprise the District's basic financial statements as listed in the Table of Contents, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of December 31, 2025 and the respective changes in financial position thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("U.S. GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

The District's management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year after the date that the financial statements are issued.

*Member: American Institute of Certified Public Accountants*

**INDEPENDENT AUDITOR'S REPORT**  
**To the Board of Directors**  
**Mighty Argo Metropolitan District No. 2**  
**Idaho Springs, Colorado**

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. GAAS 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 U.S. GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

***Required Supplementary Information***

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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

The budgetary comparison information in section E is not a required part of the basic financial statements but is supplementary information required by U.S. GAAP. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

**INDEPENDENT AUDITOR'S REPORT**  
**To the Board of Directors**  
**Mighty Argo Metropolitan District No. 2**  
**Idaho Springs, Colorado**

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The individual fund budgetary comparison found in Section F 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 were derived from and relate directly to the underlying accounting and other records used to prepare the 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in blue ink that reads "McMahan and Associates, L.L.C." in a cursive script.

**McMahan and Associates, L.L.C.**  
**Avon, Colorado**  
**July 23, 2026**



## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**Mighty Argo Metropolitan District No. 2**  
**Statement of Net Position**  
**December 31, 2025**

---

**Assets:**

|                                 |                   |
|---------------------------------|-------------------|
| Cash and investments            | 7,777             |
| Restricted cash and investments | 9,276,033         |
| Receivables:                    |                   |
| Property taxes receivable       | 1,182             |
| Construction in progress        | 5,177,631         |
| <b>Total Assets</b>             | <u>14,462,623</u> |

**Liabilities:**

|                              |                   |
|------------------------------|-------------------|
| Current:                     |                   |
| Accounts payable             | 411,949           |
| Accrued interest             | 184,355           |
| Non-current:                 |                   |
| Bonds Payable                | 9,990,000         |
| Developer advances - Capital | 4,770,682         |
| <b>Total Liabilities</b>     | <u>15,356,986</u> |

**Deferred Inflow of Resources:**

|                                           |              |
|-------------------------------------------|--------------|
| Property tax revenue                      | 1,182        |
| <b>Total Deferred Inflow of Resources</b> | <u>1,182</u> |

**Net Position:**

|                                  |                  |
|----------------------------------|------------------|
| Net investment in capital assets | 99,931           |
| Restricted for debt service      | 3,005,593        |
| Unrestricted                     | (4,001,069)      |
| <b>Total Net Position</b>        | <u>(895,545)</u> |

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

|                                 |                                 | <b>Program Revenues</b>     |                                           |                                         | <b>Net (Expense) Revenues and Changes in Net Position</b> |
|---------------------------------|---------------------------------|-----------------------------|-------------------------------------------|-----------------------------------------|-----------------------------------------------------------|
|                                 | <b>Expenses</b>                 | <b>Charges for Services</b> | <b>Operating Grants and Contributions</b> | <b>Capital Grants and Contributions</b> | <b>Net (Expense) Revenue</b>                              |
| <b>Functions/Programs:</b>      |                                 |                             |                                           |                                         |                                                           |
| <b>Governmental activities:</b> |                                 |                             |                                           |                                         |                                                           |
| General government              | 724,393                         | -                           | -                                         | -                                       | (724,393)                                                 |
| Interest                        | 184,355                         | -                           | -                                         | -                                       | (184,355)                                                 |
| <b>Total primary government</b> | <u>908,748</u>                  | <u>-</u>                    | <u>-</u>                                  | <u>-</u>                                | <u>(908,748)</u>                                          |
|                                 |                                 |                             |                                           |                                         |                                                           |
|                                 | <b>General revenues:</b>        |                             |                                           |                                         |                                                           |
|                                 | Interest income                 |                             |                                           |                                         | 12,453                                                    |
|                                 | Total General Revenues          |                             |                                           |                                         | <u>12,453</u>                                             |
|                                 |                                 |                             |                                           |                                         |                                                           |
|                                 | <b>Change in Net Position</b>   |                             |                                           |                                         | (896,295)                                                 |
|                                 |                                 |                             |                                           |                                         |                                                           |
|                                 | <b>Net Position - Beginning</b> |                             |                                           |                                         | 750                                                       |
|                                 | <b>Net Position - Ending</b>    |                             |                                           |                                         | <u>(895,545)</u>                                          |

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## **FUND FINANCIAL STATEMENTS**

**Mighty Argo Metropolitan District No. 2**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2025**

|                                                                               | <u>General</u> | <u>Capital<br/>Projects</u> | <u>Debt<br/>Service</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|-------------------------------------------------------------------------------|----------------|-----------------------------|-------------------------|-----------------------------------------|
| <b>Assets:</b>                                                                |                |                             |                         |                                         |
| Cash and investments                                                          | 7,777          | -                           | -                       | 7,777                                   |
| Restricted cash and investments                                               | -              | 6,265,440                   | 3,010,593               | 9,276,033                               |
| Receivables:                                                                  |                |                             |                         |                                         |
| Property taxes receivable                                                     | 1,182          | -                           | -                       | 1,182                                   |
| Due from other funds                                                          | -              | 7,777                       | -                       | 7,777                                   |
| <b>Total Assets</b>                                                           | <u>8,959</u>   | <u>6,273,217</u>            | <u>3,010,593</u>        | <u>9,292,769</u>                        |
| <b>Liabilities:</b>                                                           |                |                             |                         |                                         |
| Accounts payable                                                              | 5,000          | 406,949                     | -                       | 411,949                                 |
| Due to other funds                                                            | 2,777          | -                           | 5,000                   | 7,777                                   |
| <b>Total Liabilities</b>                                                      | <u>7,777</u>   | <u>406,949</u>              | <u>5,000</u>            | <u>419,726</u>                          |
| <b>Deferred Inflows of Resources:</b>                                         |                |                             |                         |                                         |
| Unavailable property tax revenue                                              | 1,182          | -                           | -                       | 1,182                                   |
| <b>Total Deferred Inflows of Resources</b>                                    | <u>1,182</u>   | <u>-</u>                    | <u>-</u>                | <u>1,182</u>                            |
| <b>Fund Balances:</b>                                                         |                |                             |                         |                                         |
| Restricted for debt service                                                   | -              | -                           | 3,005,593               | 3,005,593                               |
| Committed for capital projects                                                | -              | 5,866,268                   | -                       | 5,866,268                               |
| <b>Total Fund Balances</b>                                                    | <u>-</u>       | <u>5,866,268</u>            | <u>3,005,593</u>        | <u>8,871,861</u>                        |
| <b>Total Liabilities, Deferred Inflow of<br/>Resources, and Fund Balances</b> | <u>8,959</u>   | <u>6,273,217</u>            | <u>3,010,593</u>        | <u>9,292,769</u>                        |

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

**Mighty Argo Metropolitan District No. 2**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Position**  
**December 31, 2025**

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|                                              |           |
|----------------------------------------------|-----------|
| <b>Governmental Funds Total Fund Balance</b> | 8,871,861 |
|----------------------------------------------|-----------|

Capital assets used in governmental activities are not considered current financial resources and, therefore, are not reported in the funds.  
Details of these amounts are as follows:

|                |                  |           |
|----------------|------------------|-----------|
| Capital assets | <u>5,177,631</u> | 5,177,631 |
|----------------|------------------|-----------|

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.  
This is the amount of District long-term liabilities. Details of these amounts are as follows:

|                          |                  |              |
|--------------------------|------------------|--------------|
| Bonds payable            | (9,990,000)      |              |
| Developer advances       | (4,770,682)      |              |
| Accrued interest payable | <u>(184,355)</u> |              |
|                          |                  | (14,945,037) |

|                                                |                         |
|------------------------------------------------|-------------------------|
| <b>Net Position of Governmental Activities</b> | <u><u>(895,545)</u></u> |
|------------------------------------------------|-------------------------|

**Mighty Argo Metropolitan District No. 2**  
**Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2025**

|                                                              | <u>General</u>  | <u>Capital<br/>Projects</u> | <u>Debt<br/>Service</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|--------------------------------------------------------------|-----------------|-----------------------------|-------------------------|-----------------------------------------|
| <b>Revenues:</b>                                             |                 |                             |                         |                                         |
| Interest                                                     | -               | 11,673                      | 780                     | 12,453                                  |
| <b>Total Revenues</b>                                        | <u>-</u>        | <u>11,673</u>               | <u>780</u>              | <u>12,453</u>                           |
| <b>Expenditures:</b>                                         |                 |                             |                         |                                         |
| Debt service:                                                |                 |                             |                         |                                         |
| Developer repayment                                          | -               | 238,235                     | -                       | 238,235                                 |
| Bond issuance costs                                          | -               | -                           | 724,393                 | 724,393                                 |
| Capital outlay                                               | -               | 4,224,677                   | -                       | 4,224,677                               |
| <b>Total Expenditures</b>                                    | <u>-</u>        | <u>4,462,912</u>            | <u>724,393</u>          | <u>5,187,305</u>                        |
| <b>Excess (Deficiency) of Revenues<br/>over Expenditures</b> | <u>-</u>        | <u>(4,451,239)</u>          | <u>(723,613)</u>        | <u>(5,174,852)</u>                      |
| <b>Other Financial Sources (Uses):</b>                       |                 |                             |                         |                                         |
| Bond proceeds                                                | -               | -                           | 9,990,000               | 9,990,000                               |
| Developer advances                                           | -               | 4,055,963                   | -                       | 4,055,963                               |
| Transfers in                                                 | -               | 6,260,794                   | -                       | 6,260,794                               |
| Transfers (out)                                              | -               | -                           | (6,260,794)             | (6,260,794)                             |
| <b>Total Other Financing Sources (Uses)</b>                  | <u>-</u>        | <u>10,316,757</u>           | <u>3,729,206</u>        | <u>14,045,963</u>                       |
| <b>Net Change in Fund Balances</b>                           | -               | 5,865,518                   | 3,005,593               | 8,871,111                               |
| <b>Fund Balances - Beginning of Year</b>                     | <u>-</u>        | <u>750</u>                  | <u>-</u>                | <u>750</u>                              |
| <b>Fund Balances - End of Year</b>                           | <u><u>-</u></u> | <u><u>5,866,268</u></u>     | <u><u>3,005,593</u></u> | <u><u>8,871,861</u></u>                 |

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

**Mighty Argo Metropolitan District No. 2**  
**Reconciliation of the Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances of Governmental Funds to the**  
**Statement of Activities**  
**For the Year Ended December 31, 2025**

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|                                                               |                  |
|---------------------------------------------------------------|------------------|
| <b>Net change in fund balances - total governmental funds</b> | <b>8,871,111</b> |
|---------------------------------------------------------------|------------------|

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of the assets is allocated over their estimated useful lives as depreciation expense. This is the net difference between depreciation and capital additions during the year. Details of these differences are as follows:

|                   |           |           |
|-------------------|-----------|-----------|
| Capital additions | 4,224,677 | 4,224,677 |
|-------------------|-----------|-----------|

The repayment of the principal of long-term debt consumes current financial resources of governmental funds. This transaction, however, has no effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

|                                  |             |              |
|----------------------------------|-------------|--------------|
| Bond proceeds                    | (9,990,000) |              |
| Repayment of developer advances  | 238,235     |              |
| Proceeds from developer advances | (4,055,963) | (13,807,728) |

Some expenses reported in the statement of activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds. Details of these items are as follows:

|                                      |           |           |
|--------------------------------------|-----------|-----------|
| Change in accrued developer interest | (184,355) | (184,355) |
|--------------------------------------|-----------|-----------|

|                                                          |                  |
|----------------------------------------------------------|------------------|
| <b>Change in Net Position of Governmental Activities</b> | <b>(896,295)</b> |
|----------------------------------------------------------|------------------|



## **NOTES TO THE FINANCIAL STATEMENTS**

**Mighty Argo Metropolitan District No. 2**  
**Notes to the Financial Statements**  
**December 31, 2025**

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**I. Summary of Significant Accounting Policies**

Mighty Argo Metropolitan District No. 2 (the "District"), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized concurrently with Mighty Argo Metropolitan Districts No. 1 and No. 3 (collectively the "Districts") by District Court Order on November 17, 2020, and is governed pursuant to the provisions of the Colorado Special District Act (Title 32). The Districts' service area is located in the City of Idaho Springs, Colorado. The Districts operate under a Consolidated Service Plan to provide planning, design, acquisition, construction, installation, relocation, redevelopment, finance and maintenance of public improvements within the Districts.

The Districts have no employees and all operations are outsourced.

**A. Reporting Entity**

The reporting entity consists of (a) the primary government; i.e., the District, and (b) organizations for which the District is financially accountable. The District is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization's governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits, to, or to impose specific financial burdens on, the District. Consideration is also given to other organizations which are fiscally dependent; i.e., unable to adopt a budget, levy taxes, or issue debt without approval by the District. Organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are also included in the reporting entity.

Based on these criteria, the District is not financially accountable for any other entity.

**B. Government-wide and Fund Financial Statements**

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as governmental type.

**1. Government-wide Financial Statements**

In the government-wide Statement of Net Position, all balances are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The government-wide focus is on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

**2. Fund Financial Statements**

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The fund focus is on current available resources and budget compliance.

**Mighty Argo Metropolitan District No. 2**  
**Notes to the Financial Statements**  
**December 31, 2025**  
**(continued)**

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**I. Summary of Significant Accounting Policies (continued)**

**B. Government-wide and Fund Financial Statements (continued)**

**2. Fund Financial Statements (continued)**

The District reports the following governmental funds:

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

The *Capital Projects Fund* is used to account for the accumulation of resources from General Fund transfers for the acquisition or construction of major capital assets.

The *Debt Service Fund* is used to account for the accumulation of resources and payments made for principal and interest on long-term debt and contractual obligation debt.

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

Measurement focus refers to whether financial statements measure changes in current resources only (current financial focus) or changes in both current and long-term resources (long-term economic focus). Basis of accounting refers to the point at which revenues, expenditures, or expenses are recognized in the accounts and reported in the financial statements. Financial statement presentation refers to classification of revenues by source and expenses by function.

**1. Long-term Economic Focus and Accrual Basis**

Governmental activities in the government-wide financial statements use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows.

**2. Current Financial Focus and Modified Accrual Basis**

The governmental fund financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter (60 days) to be used to pay liabilities of the current period. Expenditures are generally recognized when the related liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, if any, is recognized when due.

**3. Financial Statement Presentation**

Amounts reported as program revenues include capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes and interest income.

**Mighty Argo Metropolitan District No. 2**  
**Notes to the Financial Statements**  
**December 31, 2025**  
**(continued)**

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**I. Summary of Significant Accounting Policies (continued)**

**D. Financial Statement Accounts**

**1. Cash and Cash Equivalents**

Cash and equivalents are defined as deposits that can be withdrawn at any time without notice or penalty and investments with maturities of three months or less.

Investments are stated at fair value or net asset value. The change in fair value or net asset value of investments is recognized as an increase or decrease to investment assets and investment income. The District's investment policy is detailed in note III.A.

**2. Receivables**

Receivables are reported net of an allowance for uncollectible accounts. There was no allowance as of December 31, 2025.

**3. Property Taxes**

Property taxes are assessed in one year as a lien on the property, but not collected by governmental units until the subsequent year. In accordance with GAAP, the assessed but uncollected property taxes have been recorded as a receivable and as deferred inflow of resources. The District has not levied any property taxes during 2025.

**4. Capital Assets**

Capital assets, which includes design and initial construction of the improvements, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial cost of \$5,000 or more and an estimated useful life of at least three years. Such assets are recorded at historical cost. Donated capital assets are recorded at acquisition value at the date of donation.

Capital expenditures for projects are capitalized as projects are constructed. As of the year ended December 31, 2025, all capital assets were considered construction in progress and will be depreciated upon completion.

**5. Deferred Outflows and Inflows of Resources**

In addition to liabilities, the statement of net position 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 that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

**6. Long-Term Obligations**

The District's long-term obligations consist of outstanding bonds and developer advances. These obligations are recorded in the government-wide financial statements, at their principal amounts, net of any applicable bond discounts or premiums, which are amortized over the life of the related debt using the effective interest method.

**Mighty Argo Metropolitan District No. 2**  
**Notes to the Financial Statements**  
**December 31, 2025**  
**(continued)**

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**I. Summary of Significant Accounting Policies (continued)**

**D. Financial Statement Accounts (continued)**

**6. Long-Term Obligations (continued)**

*Bonds payable* – represent limited tax general obligation bonds issued to finance infrastructure and capital improvements. Interest on bonds is recognized as an expense when incurred, and principal payments are made in accordance with the debt service schedule.

*Developer advances* – represent funds provided by developers for initial infrastructure and operational costs. These advances bear interest at rates specified in agreements between the District and developers. Repayment of advances is contingent upon the availability of certain future revenues.

Debt issuance costs, excluding prepaid bond insurance, are expensed as incurred in accordance with applicable accounting standards.

**7. Fund Balance**

The District classifies governmental fund balances as follows:

*Nonspendable* - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements.

*Restricted* – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

*Committed* – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority which is the Board of Directors.

*Assigned* – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the Board of Directors or its management designee.

*Unassigned* - includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The District uses restricted amounts first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the District first uses committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

**Mighty Argo Metropolitan District No. 2**  
**Notes to the Financial Statements**  
**December 31, 2025**  
**(continued)**

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**I. Summary of Significant Accounting Policies (continued)**

**D. Financial Statement Accounts (continued)**

**7. Fund Balance (continued)**

The District does not have a formal minimum fund balance policy. However, the District's budget includes a calculation of targeted reserve positions and management reports the targeted amounts annually to Board of Directors.

**E. Use of Estimates**

The preparation of financial statements in conformity with GAAP requires the District's management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

**II. Stewardship, Compliance, and Accountability**

**A. Budgetary Information**

In the fall of each year, the District's Board of Directors formally adopts a budget with appropriations by fund for the ensuing year pursuant to the Local Government Budget Law of Colorado. The budgets for the funds are adopted on a basis consistent with generally accepted accounting principles ("GAAP").

As required by Colorado statutes, the District followed the following timetable in approving and enacting a budget for 2025:

- (1) For the 2025 budget year, prior to August 25, 2024, the County Assessor sent to the District the certified assessed valuation of all taxable property within the District's boundaries and prior to December 10, 2024, the County Assessor sent the final recertified assessed valuation to the District.
- (2) On or before October 15, 2024, the District's accountant submitted to the District's Board of Directors a recommended budget which detailed the necessary property taxes needed along with other available revenues to meet the District's operating requirements.
- (3) A public hearing on the proposed budget and capital program was held by the Board no later than 45 days prior to the close of the fiscal year.
- (4) For the 2025 budget, prior to December 15, 2024, the District computed and certified to the County Commissioners a rate of levy that derived the necessary property taxes as computed in the proposed budget.
- (5) For the 2025 budget, the final budget and appropriating resolution was adopted prior to December 31, 2024.

**Mighty Argo Metropolitan District No. 2**  
**Notes to the Financial Statements**  
**December 31, 2025**  
**(continued)**

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**II. Stewardship, Compliance, and Accountability (continued)**

**A. Budgetary Information (continued)**

After adoption of the budget resolution, the District may make the following changes: a) it may transfer appropriated monies between funds or between spending agencies within a fund, as determined by the original appropriation level; b) it may approve supplemental appropriations to the extent of revenues in excess of the estimated in the budget; c) it may approve emergency appropriations; and d) it may reduce appropriations for which originally estimated revenues are insufficient.

Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in 2024 were collected in 2025 and taxes certified in 2025 will be collected in 2026. Taxes are due on January 1<sup>st</sup> in the year of collection; however, they may be paid in either one installment (no later than April 30<sup>th</sup>) or two equal installments (not later than February 28<sup>th</sup> and June 15<sup>th</sup>) without interest or penalty. Taxes which are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 15<sup>th</sup>.

The level of control in the budget at which expenditures exceed appropriations is at the fund level. All appropriations lapse at year end.

**B. TABOR Amendment**

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20, commonly known as the Taxpayer's Bill of Rights ("TABOR"). TABOR contains revenue, spending, tax and debt limitations that apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government. Any revenues earned in excess of the fiscal year spending limit must be refunded in the next fiscal year, unless voters approve retention of such excess revenue.

The District voters approved an election question in 2020 to remove limits on the amount of revenue the District is allowed to collect, spend and retain.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future fiscal years.

TABOR also requires local governments to establish an emergency reserve to be used for declared emergencies only. The reserve is calculated at 3% of fiscal year spending. Fiscal year spending excludes bonded debt service and enterprise spending. The District has reserved \$0, which is the approximate required reserve, at December 31, 2025.

The District's management believes it is in compliance with the financial provisions of TABOR.

**Mighty Argo Metropolitan District No. 2**  
**Notes to the Financial Statements**  
**December 31, 2025**  
**(continued)**

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**III. Detailed Notes on all Funds**

**A. Deposits and Investments**

The District's deposits are entirely covered by federal depository insurance ("FDIC") or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). The FDIC insures the first \$250,000 of the District's deposits at each financial institution. Deposit balances over \$250,000 are collateralized as required by PDPA. The carrying amount of the District's demand deposits was \$0 at year end.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments, and entities such as the District, may invest which include:

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market mutual funds
- Guaranteed investment contract
- Local government investment pools

*Interest Rate Risk.* As a means of limiting its exposure to interest rate risk, the District diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer and type of issuer. The District coordinates its investment maturities to closely match cash flow needs and restricts the maximum investment term to less than five years (less in some cases) from the purchase date. As a result of the limited length of maturities the District has limited its interest rate risk.

*Credit Risk.* District investment policy limits investments to those authorized by State statutes. The District's general investment policy is to apply the prudent-person rule: investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

*Concentration of Credit Risk.* The District diversifies its investments by security type and institution. Financial institutions holding District funds must provide the District a copy of the certificate from the Banking Authority that states that the institution is an eligible public depository.



**Mighty Argo Metropolitan District No. 2**  
**Notes to the Financial Statements**  
**December 31, 2025**  
**(continued)**

**III. Detailed Notes on all Funds (continued)**

**A. Deposits and Investments (continued)**

At year end, the District had the following deposits and investments with the following maturities:

|                      | <b>Standard<br/>&amp; Poors<br/>Rating</b> | <b>Carrying<br/>Amounts</b> | <b>Term to Maturity</b>       |                               |
|----------------------|--------------------------------------------|-----------------------------|-------------------------------|-------------------------------|
|                      |                                            |                             | <b>Less than<br/>one year</b> | <b>More than<br/>one year</b> |
| <i>Deposits:</i>     |                                            |                             |                               |                               |
| Checking and savings | Not rated                                  | -                           | -                             | -                             |
| <i>Investments:</i>  |                                            |                             |                               |                               |
| Government bonds     | Not rated                                  | 1,976,459                   | 597,048                       | 1,379,411                     |
| Colotrust            | AAAm                                       | 7,307,351                   | 7,307,351                     | -                             |
|                      |                                            | <u>9,283,810</u>            | <u>7,904,399</u>              | <u>1,379,411</u>              |
| <i>Consists of:</i>  |                                            |                             |                               |                               |
| Restricted           |                                            | 9,276,033                   |                               |                               |
| Unrestricted         |                                            | <u>7,777</u>                |                               |                               |
|                      |                                            | <u>9,283,810</u>            |                               |                               |

*Fair Value of Investments.* The District measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than quoted market prices; and,
- *Level 3:* Unobservable inputs.

Investments classified in Level 1 are valued using prices quoted in active markets for those securities. Investments classified in Level 2 are valued using the following approaches:

- U.S. Treasuries, U.S. Agencies, and Commercial Paper: quoted prices for identical securities in markets that are not active;
- Repurchase Agreements, Negotiable Certificates of Deposit, and Collateralized Debt Obligations: matrix pricing based on the securities' relationship to benchmark quoted prices;
- Money Market, Bond, and Equity Mutual Funds: published fair value per share (unit) for each fund.

The District had the following recurring measurements as of December 31, 2025:

| <b>Investments Measured at Net Asset Value</b> |  | <b>Total</b>   |                |                |
|------------------------------------------------|--|----------------|----------------|----------------|
| Colotrust Prime                                |  | 7,307,351      |                |                |
| <b>Investments Measured at<br/>Fair Value</b>  |  | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> |
| Government bonds                               |  | -              | 1,976,459      | -              |

**Mighty Argo Metropolitan District No. 2**  
**Notes to the Financial Statements**  
**December 31, 2025**  
**(continued)**

**III. Detailed Notes on all Funds (continued)**

**A. Deposits and Investments (continued)**

The District had the following restricted funds as of December 31, 2025:

|                  |                  |
|------------------|------------------|
| Project Fund     | 6,265,440        |
| Bond Fund        | 1,976,459        |
| Surplus Fund     | 999,741          |
| Cost of Issuance | 34,393           |
|                  | <u>9,276,033</u> |

**B. Capital Assets**

The District had the following changes to capital asset activity for the year ended December 31, 2025:

|                          | <u>Beginning<br/>Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending<br/>Balance</u> |
|--------------------------|------------------------------|------------------|------------------|---------------------------|
| Non-depreciable assets:  |                              |                  |                  |                           |
| Construction in progress | <u>952,954</u>               | <u>4,224,677</u> | <u>-</u>         | <u>5,177,631</u>          |
| Total capital assets     | <u>952,954</u>               | <u>4,224,677</u> | <u>-</u>         | <u>5,177,631</u>          |

**C. Long-Term Obligations and Agreements**

**1. Infrastructure Acquisition and Reimbursement Agreement**

On April 16, 2024, the District entered into an Infrastructure Acquisition and Reimbursement Agreement with Miner's Point Ventures, LLC (the "Developer") to reimburse certified district eligible costs related to the acquisition, financing, planning, design, construction, and installation of public infrastructure, including dedicated public infrastructure and district public infrastructure, as well as eligible capital services costs, as authorized under the District's Service Plan and the Special District Act. The Developer may submit applications for reimbursement of eligible costs, which, upon approval through a District Acceptance Resolution, become certified district eligible costs accruing simple interest at 8% per annum until repaid or until Reimbursement Obligations are issued. The District intends to reimburse these certified costs using bond proceeds, legally available revenues, or through the issuance of Reimbursement Obligations, subject to annual appropriation. Reimbursements are applied first to accrued interest and then to principal. The District's obligation to reimburse terminates in 20 years, with any outstanding amounts, including accrued interest, forgiven and deemed a contribution to the District. As of December 31, 2025, the District had \$0 and \$0 of outstanding Principal and Interest, respectively, under this agreement.

**Mighty Argo Metropolitan District No. 2**  
**Notes to the Financial Statements**  
**December 31, 2025**  
**(continued)**

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**III. Detailed Notes on all Funds (continued)**

**C. Long-Term Obligations and Agreements (continued)**

**2. Capital Funding**

On August 14, 2024, the District entered into an Amended and Restated Funding and Reimbursement Agreement (Capital) with Miner's Point Ventures, LLC (the "Developer"), superseding the prior agreement dated February 14, 2024, to fund capital costs related to the permitting, design, and construction of a wastewater treatment plant under the Glacier Agreement dated April 18, 2024. The Developer agreed to provide advances to the District or make direct payments to Glacier for capital costs, with such amounts accruing simple interest at 8% per annum until repaid or until Reimbursement Obligations are issued. The District intends to repay these advances and direct payments using ad valorem taxes, fees, or other legally available revenues, subject to a maximum mill levy of 50.000 mills and annual appropriation. Repayments are applied first to accrued interest and then to principal. The District's obligation to repay terminates in 20 years, with any outstanding amounts, including accrued interest, forgiven and deemed a contribution to the District. As of December 31, 2025, the District had \$4,296,441 and \$184,355 of outstanding Principal and Interest, respectively, under this agreement.

**3. Wastewater Treatment Plant Capital Funding**

On November 13, 2024, the District entered into two agreements with Miner's Point Ventures, LLC (the "Developer") to fund capital costs related to a wastewater treatment plant. The Amended and Restated Funding and Reimbursement Agreement (Capital – Wastewater Treatment Plant), supersedes the prior agreement dated November 28, 2023, and relates to the procurement of the wastewater treatment plant under the System Procurement Agreement with Newterra Corporation dated August 24, 2023. Additionally, the Funding and Reimbursement Agreement (Capital Costs - Engineering Costs) addresses engineering services for the procurement, installation, and construction of the wastewater treatment plant under the Engineering Agreements with AquaWorks DBO, Inc. dated February 24, 2024. Under both agreements, the Developer agreed to provide advances to the District or make direct payments to Newterra or AquaWorks for capital costs, with such amounts accruing simple interest at 8% per annum until repaid or until Reimbursement Obligations are issued. The District intends to repay these advances and direct payments using ad valorem taxes, fees, or other legally available revenues, subject to a maximum mill levy of 50.000 mills and annual appropriation. Repayments are applied first to accrued interest and then to principal. The District's obligation to repay under both agreements terminates in 20 years, with any outstanding amounts, including accrued interest, forgiven and deemed a contribution to the District. No advances or direct payments were made under the Amended and Restated Funding and Reimbursement Agreement (Capital – Wastewater Treatment Plant) as the wastewater treatment plant was procured via the Glacier Agreement, and, accordingly, the Amended and Restated Funding and Reimbursement Agreement (Capital Costs – Wastewater Treatment Plant) was terminated on November 10, 2025. As of December 31, 2025, the District had \$474,241 and \$0 of outstanding Principal and Interest, respectively, under the Funding and Reimbursement Agreement (Capital Costs - Engineering Costs).

**Mighty Argo Metropolitan District No. 2**  
**Notes to the Financial Statements**  
**December 31, 2025**  
**(continued)**

**III. Detailed Notes on all Funds (continued)**

**C. Long-Term Obligations and Agreements (continued)**

**4. Limited Tax General Obligation Bonds, Series 2025**

On December 23, 2025, the District issued Limited Tax General Obligation Bonds for the purpose of financing a portion of the public improvements necessary to support Phase 1 of the Mighty Argo Cable Car, funding capitalized interest, funding an initial deposit to the Surplus Fund, and paying costs of issuance.: \$9,990,000 Limited Tax General Obligation Bonds, Series 2025 ("Series 2025 Bonds").

The Series 2025 Bonds were issued as a single \$9,990,000 term bond maturing December 1, 2055, bearing interest at 7.00% per annum, payable semiannually on June 1 and December 1 from available Pledged Revenue, commencing June 1, 2026.

The Series 2025 Bonds are limited tax (convertible to unlimited tax) and special revenue obligations of the District, secured by and payable from the Pledged Revenue, defined in the Indenture as moneys derived from: (a) the Required Mill Levy; (b) the Pledged Public Improvement Fees; (c) the portion of the Specific Ownership Tax collected as a result of imposition of the Required Mill Levy; and (d) any other legally available moneys the District determines, in its absolute discretion, to transfer to the Trustee for application as Pledged Revenue. The Required Mill Levy is convertible to an unlimited mill levy on the Conversion Date upon satisfaction of certain conditions under the Indenture; the Conversion Date is not guaranteed to occur.

The Series 2025 Bonds are additionally secured by (i) capitalized interest funded from net bond proceeds, and (ii) prior to the Conversion Date, the Surplus Fund, initially funded with net bond proceeds of \$999,000 and to be replenished with excess Pledged Revenue, if any, up to the Maximum Surplus Amount of \$3,500,000. The Bonds are subject to optional, mandatory sinking fund, and mandatory extraordinary redemption as provided in the Indenture.

Notwithstanding any other provision of the Indenture, all Series 2025 Bonds and interest thereon are deemed paid, satisfied, and discharged on December 2, 2065 (the "Termination Date"), regardless of the amount of principal and interest actually paid prior to that date; the District remains obligated to impose the Required Mill Levy and apply Pledged Revenue each year prior to the Termination Date.

The District had the following changes in long-term obligations for the year ended December 31, 2025:

|                                     | <b>Beginning<br/>Balance</b> | <b>Additions</b> | <b>Reductions</b> | <b>Ending<br/>Balance</b> | <b>Due Within<br/>One Year</b> |
|-------------------------------------|------------------------------|------------------|-------------------|---------------------------|--------------------------------|
| Bonds payable:                      |                              |                  |                   |                           |                                |
| Limited Tax G.O. Bonds, Series 2025 | -                            | 9,990,000        |                   | 9,990,000                 |                                |
| Total bonds payable:                | -                            | 9,990,000        | -                 | 9,990,000                 | -                              |
| Developer advances:                 |                              |                  |                   |                           |                                |
| Capital advances                    | 952,954                      | 4,055,963        | (238,235)         | 4,770,682                 | -                              |
| Total developer advances:           | 952,954                      | 4,055,963        | (238,235)         | 4,770,682                 | -                              |

**Mighty Argo Metropolitan District No. 2**  
**Notes to the Financial Statements**  
**December 31, 2025**  
**(continued)**

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**III. Detailed Notes on all Funds (continued)**

**C. Long-Term Obligations and Agreements (continued)**

Annual debt service requirements to maturity for the Series 2025 Senior Bonds are as follows:

|             | <u>Principal</u> | <u>Interest</u>   | <u>Total</u>      |
|-------------|------------------|-------------------|-------------------|
| 2026        | -                | 656,565           | 656,565           |
| 2027        | -                | 699,300           | 699,300           |
| 2028        | -                | 699,300           | 699,300           |
| 2029        | -                | 699,300           | 699,300           |
| 2030        | -                | 699,300           | 699,300           |
| 2031 - 2035 | 145,000          | 3,487,750         | 3,632,750         |
| 2036 - 2040 | 655,000          | 3,369,800         | 4,024,800         |
| 2041 - 2045 | 1,395,000        | 3,048,150         | 4,443,150         |
| 2046 - 2050 | 2,560,000        | 2,408,350         | 4,968,350         |
| 2051 - 2055 | 5,235,000        | 1,296,050         | 6,531,050         |
| Total       | <u>9,990,000</u> | <u>17,063,865</u> | <u>27,053,865</u> |

The District electorate has authorized \$525,000,000 in debt, of which \$515,010,000 remained authorized but unissued as of December 31, 2025. However, the service plan limits combined debt across all Districts to \$35,000,000.

**IV. Other Information**

**A. Risk Management**

**Colorado Special Districts Property and Liability Pool**

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; or injuries to employees.

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool) as of December 31, 2025. 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. The Pool provides coverage for property claims and liability coverage claims and workers' compensation. Settled claims have not exceeded this coverage in the past three years.

The District pays annual premiums to the Pool for liability, property, and public officials' 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 member pursuant to a distribution formula.

A summary of the latest audited statutory basis financial information for the Pool can be found here: <https://www.csdpool.org/financials>

**Mighty Argo Metropolitan District No. 2**  
**Notes to the Financial Statements**  
**December 31, 2025**  
**(continued)**

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**IV. Other Information (continued)**

**B. Related Party**

The members of the District Board of Directors are associated with the Developer and may have conflicts of interest in dealing with the District.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**Mighty Argo Metropolitan District No. 2**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**Governmental Funds - General Fund**  
**For the Year Ended December 31, 2025**

|                                         | <b>Original<br/>&amp; Final<br/>Budget</b> | <b>Actual</b> | <b>Final<br/>Budget<br/>Variance<br/>Positive<br/>(Negative)</b> |
|-----------------------------------------|--------------------------------------------|---------------|------------------------------------------------------------------|
| <b>Revenues:</b>                        |                                            |               |                                                                  |
| Interest                                | -                                          | -             | -                                                                |
| <b>Total Revenues</b>                   | -                                          | -             | -                                                                |
| <b>Expenditures:</b>                    |                                            |               |                                                                  |
| General government:                     |                                            |               |                                                                  |
| Management                              | -                                          | -             | -                                                                |
| <b>Total Expenditures</b>               | -                                          | -             | -                                                                |
| <b>Net Change in Fund Balance</b>       | -                                          | -             | -                                                                |
| <b>Fund Balance - Beginning of Year</b> | -                                          | -             | -                                                                |
| <b>Fund Balance - End of Year</b>       | -                                          | -             | -                                                                |

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



## **SUPPLEMENTARY INFORMATION**

**Mighty Argo Metropolitan District No. 2**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**Governmental Funds - Capital Projects Fund**  
**For the Year Ended December 31, 2025**

|                                                              | <b>Original<br/>&amp; Final<br/>Budget</b> | <b>Actual</b>           | <b>Final<br/>Budget<br/>Variance<br/>Positive<br/>(Negative)</b> |
|--------------------------------------------------------------|--------------------------------------------|-------------------------|------------------------------------------------------------------|
| <b>Revenues:</b>                                             |                                            |                         |                                                                  |
| Interest                                                     | -                                          | 11,673                  | 11,673                                                           |
| <b>Total Revenues</b>                                        | <u>-</u>                                   | <u>11,673</u>           | <u>11,673</u>                                                    |
| <b>Expenditures:</b>                                         |                                            |                         |                                                                  |
| Debt service:                                                |                                            |                         |                                                                  |
| Developer repayment                                          | 5,100,000                                  | 238,235                 | 4,861,765                                                        |
| Capital outlay                                               | 8,841,992                                  | 4,224,677               | 4,617,315                                                        |
| <b>Total Expenditures</b>                                    | <u>13,941,992</u>                          | <u>4,462,912</u>        | <u>9,479,080</u>                                                 |
| <b>Excess (Deficiency) of Revenues<br/>over Expenditures</b> | <u>(13,941,992)</u>                        | <u>(4,451,239)</u>      | <u>9,490,753</u>                                                 |
| <b>Other Financing Sources (Uses):</b>                       |                                            |                         |                                                                  |
| Developer advances                                           | -                                          | 4,055,963               | 4,055,963                                                        |
| Transfers in                                                 | 13,941,992                                 | 6,260,794               | (7,681,198)                                                      |
| <b>Total Other Financing (Uses)</b>                          | <u>13,941,992</u>                          | <u>10,316,757</u>       | <u>(3,625,235)</u>                                               |
| <b>Net Change in Fund Balance</b>                            | -                                          | 5,865,518               | 5,865,518                                                        |
| <b>Fund Balance - Beginning of Year</b>                      | <u>-</u>                                   | <u>750</u>              | <u>750</u>                                                       |
| <b>Fund Balance - End of Year</b>                            | <u><u>-</u></u>                            | <u><u>5,866,268</u></u> | <u><u>5,866,268</u></u>                                          |

**Mighty Argo Metropolitan District No. 2**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**Governmental Funds - Debt Service Fund**  
**For the Year Ended December 31, 2025**

|                                        | <b>Original<br/>&amp; Final<br/>Budget</b> | <b>Actual</b> | <b>Final<br/>Budget<br/>Variance<br/>Positive<br/>(Negative)</b> |
|----------------------------------------|--------------------------------------------|---------------|------------------------------------------------------------------|
| <b>Revenues:</b>                       |                                            |               |                                                                  |
| Interest                               | -                                          | 780           | 780                                                              |
| <b>Total Revenues</b>                  | -                                          | 780           | 780                                                              |
| <b>Expenditures:</b>                   |                                            |               |                                                                  |
| Debt service:                          |                                            |               |                                                                  |
| Bond issuance costs                    | 558,008                                    | 724,393       | (166,385)                                                        |
| <b>Total Expenditures</b>              | 558,008                                    | 724,393       | (166,385)                                                        |
| <b>Other Financing Sources (Uses):</b> |                                            |               |                                                                  |
| Bond proceeds                          | 14,500,000                                 | 9,990,000     | (4,510,000)                                                      |
| Transfers (out)                        | (13,941,992)                               | (6,260,794)   | 7,681,198                                                        |
| <b>Total Other Financing (Uses)</b>    | 558,008                                    | 3,729,206     | 3,171,198                                                        |
| <b>Net Change in Fund Balance</b>      | -                                          | 3,005,593     | 3,005,593                                                        |
| <b>Fund Balance - Beginning</b>        | -                                          | -             | -                                                                |
| <b>Fund Balance - Ending</b>           | -                                          | 3,005,593     | 3,005,593                                                        |