

IRON MOUNTAIN METROPOLITAN DISTRICT NO. 1
Weld County, Colorado

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2022

**IRON MOUNTAIN METROPOLITAN DISTRICT NO. 1
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INDEPENDENT AUDITOR'S REPORT

Members of the Board of Directors
Iron Mountain Metropolitan District No. 1

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Iron Mountain Metropolitan District No. 1 (the District) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the 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 each major fund of Iron Mountain Metropolitan District No. 1, as of December 31, 2022, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 Iron Mountain Metropolitan District No. 1 and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Iron Mountain Metropolitan District No. 1's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently know information that may raise substantial doubt shortly thereafter.

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 opinion. 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, including omissions, 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 Iron Mountain Metropolitan District No. 1's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Iron Mountain Metropolitan District No. 1's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

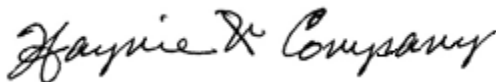
Required Supplementary Information

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 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Iron Mountain Metropolitan District No. 1's basic financial statements. The supplementary information section is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information as listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Littleton, Colorado
July 25, 2023

BASIC FINANCIAL STATEMENTS

IRON MOUNTAIN METROPOLITAN DISTRICT NO. 1
STATEMENT OF NET POSITION
DECEMBER 31, 2022

	<u>Governmental Activities</u>
ASSETS	
Cash and Investments	\$ 13,769
Cash and Investments - Restricted	2,000
Due from Iron Mountain MD No. 2	35,934
Due from Iron Mountain MD No. 3	779
Prepaid Expenses	<u>6,261</u>
Total Assets	58,743
LIABILITIES	
Accounts Payable	30,632
Noncurrent Liabilities:	
Due in More than One Year	<u>72,777</u>
Total Liabilities	103,409
NET POSITION	
Restricted For:	
Emergency Reserve	2,000
Unrestricted	<u>(46,666)</u>
Total Net Position	<u><u>\$ (44,666)</u></u>

See accompanying Notes to Basic Financial Statements.

IRON MOUNTAIN METROPOLITAN DISTRICT NO. 1
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022

FUNCTIONS/PROGRAMS	Program Revenues			Net Revenues (Expenses) and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government	\$ 64,214	\$ -	\$ -	\$ (64,214)
Capital Assets Conveyed to Other Governments	1,681,701	-	-	(5,000)
Total Governmental Activities	<u>\$ 1,745,915</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(69,214)</u>
GENERAL REVENUES				
Transfer from Iron Mountain MD No. 2				48,474
Transfer from Iron Mountain MD No. 3				17,179
Total General Revenues				<u>65,653</u>
CHANGE IN NET POSITION				(3,561)
Net Position - Beginning of Year				<u>(41,105)</u>
NET POSITION - END OF YEAR				<u><u>\$ (44,666)</u></u>

See accompanying Notes to Basic Financial Statements.

IRON MOUNTAIN METROPOLITAN DISTRICT NO. 1
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2022

	General	Capital Projects	Total Governmental Funds
ASSETS			
Cash and Investments	\$ 13,769	\$ -	\$ 13,769
Cash and Investments - Restricted	2,000	-	2,000
Due from Iron Mountain MD No. 2	35,934	-	35,934
Due from Iron Mountain MD No. 3	779	-	779
Prepaid Expenses	6,261	-	6,261
	<u>58,743</u>	<u>-</u>	<u>58,743</u>
Total Assets	<u>\$ 58,743</u>	<u>\$ -</u>	<u>\$ 58,743</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 30,632	\$ -	\$ 30,632
Total Liabilities	<u>30,632</u>	<u>-</u>	<u>30,632</u>
FUND BALANCES			
Nonspendable:	6,261	-	6,261
Prepaid Expenses			
Restricted:			
Emergency Reserve	2,000	-	2,000
Unassigned:			
General Government	19,850	-	19,850
Total Fund Balances	<u>28,111</u>	<u>-</u>	<u>28,111</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 58,743</u>	<u>\$ -</u>	
Amounts reported for governmental activities in the statement of net position are different because:			
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.			
Developer Advance Payable			<u>(72,777)</u>
Net Position of Governmental Activities			<u>\$ (44,666)</u>

See accompanying Notes to Basic Financial Statements.

IRON MOUNTAIN METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2022

	General	Capital Projects	Total Governmental Funds
REVENUES			
Transfer from Iron Mountain MD No. 2	\$ 48,474	\$ 1,676,701	\$ 1,725,175
Transfer from Iron Mountain MD No. 3	17,179	-	17,179
Total Revenues	<u>65,653</u>	<u>1,676,701</u>	<u>1,742,354</u>
EXPENDITURES			
General and Administrative:			
Accounting	25,988	-	25,988
Auditing	5,500	-	5,500
Dues	858	-	858
Insurance	6,123	-	6,123
Legal	20,852	-	20,852
Election expense	2,779	-	2,779
Miscellaneous	2,114	-	2,114
Capital Outlay:			
Public Improvements	-	1,681,701	1,681,701
Total Expenditures	<u>64,214</u>	<u>1,681,701</u>	<u>1,745,915</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,439	(5,000)	(3,561)
OTHER FINANCING SOURCES (USES)			
Developer Advance - Certified Costs	-	1,681,701	1,681,701
Repay Developer Advance	-	(1,676,701)	(1,676,701)
Total Other Financing Sources (Uses)	<u>-</u>	<u>5,000</u>	<u>5,000</u>
NET CHANGE IN FUND BALANCES	1,439	-	1,439
Fund Balances - Beginning of Year	<u>26,672</u>	<u>-</u>	<u>26,672</u>
FUND BALANCES - END OF YEAR	<u>\$ 28,111</u>	<u>\$ -</u>	<u>\$ 28,111</u>

See accompanying Notes to Basic Financial Statements.

IRON MOUNTAIN METROPOLITAN DISTRICT NO. 1
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022

Net Change in Fund Balances - Governmental Fund	\$ 1,439
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. In the statement of activities, capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation/amortization expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset.

Capital Outlay	1,681,701
Capital Assets Conveyed to Other Governments	(1,681,701)

The issuance of long-term debt (e.g., bonds, developer advance) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any 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. The net effect of these differences in the treatment of long-term debt and related items is as follows:

Developer Advance - Certified Costs	(1,681,701)
Developer Advance Repayment	1,676,701

Change in Net Position of Governmental Activities	\$ (3,561)
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**IRON MOUNTAIN METROPOLITAN DISTRICT NO. 1
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES				
Transfer from Iron Mountain MD No. 2	\$ 47,285	\$ 47,768	\$ 48,474	\$ 706
Transfer from Iron Mountain MD No. 3	17,028	17,192	17,179	(13)
Total Revenues	64,313	64,960	65,653	693
EXPENDITURES				
Accounting	25,000	25,000	25,988	(988)
Auditing	5,500	5,500	5,500	-
Dues	1,000	900	858	42
Insurance	7,000	6,200	6,123	77
Legal	20,000	22,000	20,852	1,148
Election expense	500	-	2,779	(2,779)
Miscellaneous	1,000	3,000	2,114	886
Contingency	-	2,400	-	2,400
Total Expenditures	60,000	65,000	64,214	786
NET CHANGE IN FUND BALANCE	4,313	(40)	1,439	1,479
Fund Balance - Beginning of Year	17,658	26,672	26,672	-
FUND BALANCE - END OF YEAR	<u>\$ 21,971</u>	<u>\$ 26,632</u>	<u>\$ 28,111</u>	<u>\$ 1,479</u>

See accompanying Notes to Basic Financial Statements.

IRON MOUNTAIN METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 DEFINITION OF REPORTING ENTITY

Iron Mountain Metropolitan District No. 1 (the District), a quasi-municipal corporation and a political subdivision of the State of Colorado under Title 32, Article I of the Colorado Revised Statutes, as amended (C.R.S), was organized and approved by the eligible electors of the District at an election held on Tuesday, November 7, 2006. The District was created by order and decree of the District Court in and for Weld County on December 15, 2006. The formation of the District was approved by the Town of Windsor, Colorado in conjunction with the approval by the Town Board of a Consolidated Service Plan for the District, Iron Mountain Metropolitan District No. 2 (District No. 2) and Iron Mountain Metropolitan District No. 3 (District No. 3) on September 24, 2006.

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 for 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.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the District are described as follows:

Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of net position reports all financial and capital resources of the District. The difference between the sum of assets and deferred outflows and the sum of liabilities and deferred inflows is reported as net position.

IRON MOUNTAIN METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct and indirect expenses 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 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.

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 government 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 intergovernmental revenues. All other revenue items are considered to be measurable and available only when cash is received by the District. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

The District reports the following major governmental funds:

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

The Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of capital equipment and facilities.

When both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

IRON MOUNTAIN METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds public hearings 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 and other financing uses 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 unless otherwise indicated.

The District has amended its annual budget for the year ended December 31, 2022.

Pooled Cash and Investments

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

Equity

Net Position

For government-wide presentation purposes, when both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

In the government-wide financial statements, fund equity is classified as net position. Net position may be classified into three components: net investment in capital assets, restricted and unrestricted.

Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

Nonspendable Fund Balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

Restricted Fund Balance – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

IRON MOUNTAIN METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (Continued)

Committed Fund Balance – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

Assigned Fund Balance – The portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

Unassigned Fund Balance – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District's practice to use the most restrictive classification first.

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2022, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 13,769
Cash and Investments - Restricted	2,000
Total Cash and Investments	<u>\$ 15,769</u>

Cash and investments as of December 31, 2022, consist of the following:

Deposits with Financial Institutions	\$ 15,769
Total Cash and Investments	<u>\$ 15,769</u>

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 102% of the aggregate uninsured deposits.

At December 31, 2022, the District's cash deposits had a bank and carrying balance of \$15,769.

IRON MOUNTAIN METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

The District generally limits its concentration of investments to those which are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk. Additionally, the District is not subject to concentration risk or investment custodial risk disclosure requirements for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- . Obligations of the United States, certain U.S. government agency securities, and securities of the World Bank
- . General obligation and revenue bonds of U.S. local government entities
- . Certain certificates of participation
- . Certain securities lending agreements
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- . Local government investment pools

As of December 31, 2022, the District had the no investments.

NOTE 4 CAPITAL ASSETS

An analysis of the changes in the District's capital assets for the year ended December 31, 2022 follows:

	Balance - December 31, 2021	Additions	Reductions/ Reclassifications	Balance - December 31, 2022
Capital Assets:				
Construction in Progress	\$ -	\$ 1,681,701	\$ 1,681,701	\$ -
Total	<u>\$ -</u>	<u>\$ 1,681,701</u>	<u>\$ 1,681,701</u>	<u>\$ -</u>

The public improvements were conveyed and accepted by the Town of Windsor.

NOTE 5 LONG-TERM OBLIGATIONS

IRON MOUNTAIN METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

The following is an analysis of changes in the District's long-term obligations for the year ended December 31, 2022:

	Balance at December 31, 2021	Additions	Payments/ Reductions	Balance at December 31, 2022	Due Within One Year
Other Debts:					
Developer Advances Payable	\$ 67,777	\$ 1,681,701	\$ 1,676,701	\$ 72,777	\$ -
Total	<u>\$ 67,777</u>	<u>\$ 1,681,701</u>	<u>\$ 1,676,701</u>	<u>\$ 72,777</u>	<u>\$ -</u>

NOTE 6 AUTHORIZED DEBT

At a special election of the eligible electors of the District on November 7, 2006, a majority of those qualified to vote voted in favor of certain ballot questions authorizing the issuance of indebtedness and imposition of taxes for the payment thereof, for the purpose of providing certain improvements and facilities such as streets, parks and recreation, water, sanitation, transportation, mosquito control, traffic and safety, fire protection, TV relay and security, and for the purpose of refunding such indebtedness. At December 31, 2022, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Amount Authorized on November 7, 2006	Authorization Used for 2011 Bonds	Authorization Used for 2014 Loan	Authorized But Unissued
Streets	\$ 20,000,000	\$ (1,289,137)	\$ (726,044)	\$ 17,984,819
Water	20,000,000	(1,065,035)	(599,830)	18,335,135
Sanitation	20,000,000	(1,640,843)	(924,126)	17,435,031
Transportation	20,000,000	-	-	20,000,000
Fire Fighting	20,000,000	-	-	20,000,000
Television Relay	20,000,000	-	-	20,000,000
Security Services	20,000,000	-	-	20,000,000
Traffic and Safety	20,000,000	-	-	20,000,000
Park and Recreation	20,000,000	-	-	20,000,000
Mosquito Control	20,000,000	-	-	20,000,000
Total	<u>\$ 200,000,000</u>	<u>\$ (3,995,015)</u>	<u>\$ (2,250,000)</u>	<u>\$ 193,754,985</u>

In the future, the District may issue a portion or all of the remaining authorized but unissued debt for purposes of providing public improvements to support development as it occurs within the District's service area; however, as of the date of this audit, the amount and timing of any future debt issuances are not determinable.

NOTE 7 NET POSITION

The District has net position consisting of two components – restricted and unrestricted.

IRON MOUNTAIN METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

The restricted component of net position includes assets that are restricted for use either externally imposed by creditors, grantors, contributors, or law and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. As of December 31, 2022, the District had restricted net position of \$2,000 for emergency reserves.

The District has a negative unrestricted net position as of December 31, 2022, mainly due to Developer Advances used to pay for prior years' operating and certain debt – related cost.

NOTE 8 RELATED PARTIES

The Developer of the property which constitutes the District is Windsor Southgate Development, LLC, a Colorado limited liability company. All members of the Board of Directors are officers or employees of an entity affiliated with the Developer or the majority owner of the Developer and may have conflicts of interest in dealing with the District.

NOTE 9 AGREEMENTS

District Coordinating Services Agreement (District Nos. 1-3)

Effective as of December 5, 2019, the Districts entered into a District Coordinating Services Agreement (the Coordinating Services Agreement) for the purpose of establishing the respective obligations of the Districts with respect to the coordination, oversight, and funding of certain administrative costs of the Districts, and costs related to the continued operation and maintenance of certain of the public improvements within the Districts. Pursuant to the Coordinating Services Agreement, the District was designated as the “coordinating district” (the Coordinating District) and Districts No. 2 and No. 3 were each designated as “financing districts” (the Financing Districts).

Common Finance Plan Resolution

On December 5, 2019, District No. 2 and the District adopted a Joint Resolution Regarding Intent to Implement Common Plan of Finance (the Common Finance Plan Resolution), pursuant to which: (i) the District and District No. 2 declared their mutual intent to implement the common plan of finance set forth and approved in the Service Plan to fund or reimburse all or a portion of the capital costs related to the public improvements to serve Iron Mountain Districts from the bonds issued by District No. 2 and (ii) District No. 2 declared its intent, upon issuance of its bonds, to transfer all available revenues to the District for the payment of capital costs, including amounts owed by the District pursuant to the Reimbursement Agreements (as defined next).

IRON MOUNTAIN METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 9 AGREEMENTS (CONTINUED)

Infrastructure Acquisition and Reimbursement Agreement

On January 18, 2007, the District entered into the Infrastructure Acquisition and Reimbursement Agreement with Windsor Southgate Development, LLC (Developer) pursuant to which the District agreed to acquire certain public improvements constructed by the Developer and to reimburse the Developer for costs of such public improvements.

The First Amendment, dated December 5, 2019, establishes the terms and conditions for the reimbursement of District eligible costs (defined therein) for public infrastructure to be dedicated to other governmental entities, and for public infrastructure that is to be owned, operated, and maintained by the District. Pursuant to the terms thereof, the Developer may be reimbursed for certified District eligible costs, including public infrastructure and funds advanced to or on behalf of the Districts for district eligible costs. For the Developer to obtain reimbursement, the First Amendment requires submission of an application for acceptance of District eligible costs, cost certification by both a professional engineer and accountant engaged by the District, and adoption of a resolution by the District to accept and certify the District eligible costs (defined as a District Acceptance Resolution). District No. 2 shall make a requisition in the amount of the certified District eligible costs from the Senior Project Fund and Subordinate Project Fund held by the Trustee, which requisition shall direct that the Trustee make payment of the applicable amount directly to the Developer. The Districts obligation with respect to the payment of certified District eligible costs shall be limited to amounts on deposit in the Senior Project Fund and Subordinate Project Fund available for such purpose in accordance with the Indenture, and subject to the limitations of the election. After adoption of a District Acceptance Resolution, District eligible costs shall only be reflected in the financial records of the District.

Operations IGA

Pursuant to an Operations IGA, Iron Mountain Metropolitan District Nos. 1 – 3 (Districts) have agreed that the District will provide certain operation, maintenance and administrative services benefiting the Districts, and that Iron Mountain Metropolitan District Nos. 2 and 3 will pay all costs related thereto through the imposition of ad valorem property taxes and transferring the net tax revenues to the District.

IRON MOUNTAIN METROPOLITAN DISTRICT NO. 1
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NOTE 10 RISK MANAGEMENT

The District is 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 (the 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 and public officials' liability 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 11 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.

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. As of December 31, 2022, the District has provided for an emergency reserve equal to at least 3% of fiscal year spending, as defined under TABOR.

The District's management has taken steps it believes are necessary to comply 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.

SUPPLEMENTARY INFORMATION

IRON MOUNTAIN METROPOLITAN DISTRICT NO. 1
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
DECEMBER 31, 2022

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Transfer from Iron Mountain MD No. 2	\$ -	\$ 1,676,701	\$ 1,676,701	\$ -
Total Revenues	-	1,676,701	1,676,701	-
EXPENDITURES				
Public Improvements	-	1,681,701	1,681,701	-
Total Expenditures	-	1,681,701	1,681,701	-
EXCESS (DEFICIENCY) OVER (UNDER)				
EXPENDITURES	-	(5,000)	(5,000)	-
OTHER FINANCING SOURCES (USES)				
Developer Advance - Certified Costs	-	1,681,701	1,681,701	-
Repay Developer Advance	-	(1,676,701)	(1,676,701)	-
Total Other Financing Sources (Uses)	-	5,000	5,000	-
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	\$ -	\$ -	\$ -	\$ -