

**IRON MOUNTAIN METROPOLITAN DISTRICT NO. 2**  
**Weld County, Colorado**

**FINANCIAL STATEMENTS AND**  
**SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2025**

**IRON MOUNTAIN METROPOLITAN DISTRICT NO. 2  
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## INDEPENDENT AUDITORS' REPORT

Members of the Board of Directors  
Iron Mountain Metropolitan District No. 2

### Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Iron Mountain Metropolitan District No. 2 as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise Iron Mountain Metropolitan District No. 2's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Iron Mountain Metropolitan District No. 2, as of December 31, 2025, and the respective changes in financial position and 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 audit 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. 2 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Iron Mountain Metropolitan District No. 2's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Iron Mountain Metropolitan District No. 2's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Iron Mountain Metropolitan District No. 2's ability to continue as a going concern for a reasonable period of time.

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

#### **Required Supplementary Information**

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.

#### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Iron Mountain Metropolitan District No. 2's basic financial statements. The supplementary information section is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

#### **Other Information**

Management is responsible for the other information, as listed in the table of contents, included in the annual report. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



Littleton, Colorado  
May 27, 2026

## **BASIC FINANCIAL STATEMENTS**

**IRON MOUNTAIN METROPOLITAN DISTRICT NO. 2**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2025**

	Governmental Activities
<b>ASSETS</b>	
Cash and Investments	\$ 626
Cash and Investments - Restricted	163,469
Accounts Receivable	233,932
Due from Iron Mountain MD No. 3	1,100
Property Tax Receivable	396,852
Total Assets	795,979
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Cost of Refunding, Net	97,985
Total Deferred Outflows of Resources	97,985
<b>LIABILITIES</b>	
Due to Iron Mountain MD No. 1	626
Accrued Interest Payable	31,307
Noncurrent Liabilities:	
Due Within One Year	55,000
Due in More Than One Year	7,675,000
Total Liabilities	7,761,933
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property Tax Revenue	396,852
Total Deferred Inflows of Resources	396,852
<b>NET POSITION</b>	
Restricted for:	
Debt Service	367,194
Unrestricted	(7,632,015)
Total Net Position	\$ (7,264,821)

See accompanying Notes to Basic Financial Statements.

**IRON MOUNTAIN METROPOLITAN DISTRICT NO. 2**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2025**

	Program Revenues			Net Revenues (Expenses) and Changes in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>FUNCTIONS/PROGRAMS</b>				
Primary Government:				
Governmental Activities:				
General Government	\$ 917	\$ -	\$ -	\$ (917)
Intergovernmental - Transfers to Iron Mountain Metro District No. 1	50,581	-	-	(50,581)
Interest on Long-Term Debt and Related Costs	667,974	-	156,922	(511,052)
Total Governmental Activities	\$ 719,472	\$ -	\$ 156,922	(562,550)
<b>GENERAL REVENUES</b>				
Property Taxes				531,352
Specific Ownership Taxes				21,506
Interest Income				19,122
Total General Revenues				571,980
<b>CHANGES IN NET POSITION</b>				
				9,430
Net Position - Beginning of Year				(7,274,251)
<b>NET POSITION - END OF YEAR</b>				<b>\$ (7,264,821)</b>

See accompanying Notes to Basic Financial Statements.

**IRON MOUNTAIN METROPOLITAN DISTRICT NO. 2  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2025**

	General	Debt Service	Total Governmental Funds
<b>ASSETS</b>			
Cash and Investments	\$ 626	\$ -	\$ 626
Cash and Investments - Restricted	-	163,469	163,469
Accounts Receivable	-	233,932	233,932
Due from Iron Mountain MD No. 3	-	1,100	1,100
Property Tax Receivable	53,685	343,167	396,852
Total Assets	\$ 54,311	\$ 741,668	\$ 795,979
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Due to Iron Mountain MD No. 1	\$ 626	\$ -	\$ 626
Total Liabilities	626	-	626
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Property Tax	53,685	343,167	396,852
Total Deferred Inflows of Resources	53,685	343,167	396,852
<b>FUND BALANCES</b>			
Restricted for:			
Debt Service	-	398,501	398,501
Total Fund Balances	-	398,501	398,501
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 54,311	\$ 741,668	

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

Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds.

Cost of Refunding, Net 97,985

Long-term liabilities, including loans payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Accrued Interest Payable (31,307)  
Loans Payable (7,730,000)

Net Position of Governmental Activities \$ (7,264,821)

See accompanying Notes to Basic Financial Statements.

**IRON MOUNTAIN METROPOLITAN DISTRICT NO. 2**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2025**

	General	Debt Service	Total Governmental Funds
<b>REVENUES</b>			
Property Taxes	\$ 49,122	\$ 482,230	\$ 531,352
Specific Ownership Taxes	1,970	19,536	21,506
Interest Income	221	18,901	19,122
Transfer From Iron Mountain Md No. 3	-	156,922	156,922
Total Revenues	<u>51,313</u>	<u>677,589</u>	<u>728,902</u>
<b>EXPENDITURES</b>			
Current:			
County Treasurer's Fee	733	7,266	7,999
Transfer To Iron Mountain Md No. 1	50,580	-	50,580
Miscellaneous	-	185	185
Debt Service:			
Loan Interest - Series 2025 G. O. Refunding Loan	-	227,769	227,769
Loan Principal - Series 2025 G. O. Refunding Loan	-	45,000	45,000
Paying Agent Fees	-	1,101	1,101
Bond Issue Costs	-	254,224	254,224
Total Expenditures	<u>51,313</u>	<u>535,545</u>	<u>586,858</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	-	142,044	142,044
<b>OTHER FINANCING SOURCES (USES)</b>			
Loan Issuance - Series 2025 G. O. Refunding Loan	-	7,775,000	7,775,000
Refunding - Series 2019A & 2019B	-	(8,578,202)	(8,578,202)
Total Other Financing Uses	<u>-</u>	<u>(803,202)</u>	<u>(803,202)</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	(661,158)	(661,158)
Fund Balances - Beginning of Year	-	1,059,659	1,059,659
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ -</u>	<u>\$ 398,501</u>	<u>\$ 398,501</u>

See accompanying Notes to Basic Financial Statements.

**IRON MOUNTAIN METROPOLITAN DISTRICT NO. 2  
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, 2025**

Net Change in Fund Balances - Total Governmental Funds \$ (661,158)

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

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds. Neither transaction, however, has any effect on net position.

Loan Issuance	(7,775,000)
Refunding Series 2019A - Principal	6,900,000
Refunding Series 2019B - Principal	1,000,000
Refunding Series 2019A - Premium	132,870
Loan Principal	45,000
Cost of Refunding	104,130

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.

Accrued Interest Payable - Change in Liability	269,733
Amortization of Cost of Refunding	<u>(6,145)</u>

Changes in Net Position of Governmental Activities \$ 9,430

**IRON MOUNTAIN METROPOLITAN DISTRICT NO. 2  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2025**

	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 48,638	\$ 49,122	\$ 484
Specific Ownership Taxes	1,946	1,970	24
Interest Income	-	221	221
Other Revenue	5,416	-	(5,416)
Total Revenues	<u>56,000</u>	<u>51,313</u>	<u>(4,687)</u>
<b>EXPENDITURES</b>			
County Treasurer's Fee	730	733	(3)
Contingency	5,416	-	5,416
Transfer to Iron Mountain MD No. 1	49,854	50,580	(726)
Total Expenditures	<u>56,000</u>	<u>51,313</u>	<u>4,687</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying Notes to Basic Financial Statements.

**IRON MOUNTAIN METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

**NOTE 1 DEFINITION OF REPORTING ENTITY**

Iron Mountain Metropolitan District No. 2 (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 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.1 (District No. 1) and Iron Mountain Metropolitan District No. 3 (District No. 3) (collectively, the Districts).

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. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Government-Wide and Fund Financial Statements (Continued)**

The statement of activities demonstrates the degree to which the direct and indirect 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 property taxes. 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 Debt Service Fund accounts for the resources accumulated and payments made for principal, interest, and other related costs on long-term general obligation debt.

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. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

**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, 2025.

**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.

**Property Taxes**

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is always set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August, and generally, sale of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflow of resources in the year they are levied and measurable. The unearned property tax revenue is recorded as revenue in the year they are available or collected.

**Amortization**

**Original Issue Premium**

In the government-wide financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

**IRON MOUNTAIN METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Deferred Inflows of Resources**

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *cost of refunding*, is deferred and recognized as an outflow of resources in the period that the amount is incurred.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *deferred property tax revenue*, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

**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. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

**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.

**Adoption of New Accounting Standards**

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures (Statement 102)*. Statement 102 requires note disclosure when (a) a concentration or constraint is known prior to issuance of the financial statements, (b) it makes the reporting unit vulnerable to the risk of a substantial impact, and (c) an event associated with the concentration or constraint has occurred, has begun to occur, or is more likely than not to begin to occur within 12 months of issuance. Management performed the analysis required under Statement 102 and did not identify any concentrations or constraints that require disclosure.

**NOTE 3 CASH AND INVESTMENTS**

Cash and investments as of December 31, 2025 are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 626
Cash and Investments - Restricted	163,469
Total Cash and Investments	\$ 164,095

Cash and investments as of December 31, 2025 consist of the following:

Deposits with Financial Institutions	\$ 164,095
Total Cash and Investments	\$ 164,095

**IRON MOUNTAIN METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**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.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2025, the District's cash deposits had a bank and carrying balance of \$164,095.

**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, 2025, the District had no investments.

**IRON MOUNTAIN METROPOLITAN DISTRICT NO. 2  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2025**

**NOTE 4 LONG-TERM OBLIGATIONS**

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

	Balance at December 31, 2024	Additions	Reductions	Balance at December 31, 2025	Due Within One Year
Bonds Payable:					
General Obligation Bonds					
Series 2019A	\$ 6,900,000	\$ -	\$ 6,900,000	\$ -	\$ -
Series 2019B	1,000,000	-	1,000,000	-	-
Bond Premium - Series 2019A	132,870	-	132,870	-	-
Subtotal Bonds Payable	<u>8,032,870</u>	<u>-</u>	<u>8,032,870</u>	<u>-</u>	<u>-</u>
Notes/Loans/Bonds from Direct Borrowings and Direct Placements					
Series 2025 Loan Payable	-	7,775,000	45,000	7,730,000	55,000
Subtotal	<u>-</u>	<u>7,775,000</u>	<u>45,000</u>	<u>7,730,000</u>	<u>55,000</u>
Total Long-Term Obligations	<u>\$ 8,032,870</u>	<u>\$ 7,775,000</u>	<u>\$ 8,077,870</u>	<u>\$ 7,730,000</u>	<u>\$ 55,000</u>

The details of the District's long-term obligations are as follows:

**Limited Tax General Obligation Refunding Loan, Series 2025**

**Loan Proceeds**

On April 24, 2025, the District entered into a Loan Agreement with NBH Bank to obtain a loan in the amount of \$7,775,000 (Loan). The maturity date of the Loan is December 1, 2030, with a fixed interest rate of 4.860%. Interest is paid semi-annually on June 1 and December 1. The proceeds of the Loan were used to pay off the balance of principal and interest of Senior and Subordinate Bonds (discussed below) and to pay for the costs of issuing the Loan.

The Loan was issued by and are solely the obligations of the District, although District No. 3 is obligated to pay the Loan pursuant to a Pledge Agreement.

**Pledged Revenue**

The Loan is secured by and payable from Pledged Revenue consisting of the following revenues, net of any costs of collection: (a) all Property Tax Revenues derived from the Required Mill Levy; (b) all Specific Ownership Tax Revenues attributable to the Required Mill Levy; and (c) any other legally available moneys that the District's Board elects, in its discretion, to apply as pledged revenue.

**Required Mill Levy**

The District and District No. 3 have covenanted to impose a Required Mill Levy each year in an amount which, if imposed by both Districts, would generate Property Tax Revenues equal to the Annual Financing Costs, but not in excess of 35 mills (subject to adjustment for changes occurring after January 1, 2007, in the method of calculating assessed valuation).

**IRON MOUNTAIN METROPOLITAN DISTRICT NO. 2  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2025**

**NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)**

**Required Mill Levy (Continued)**

The Required Mill Levy is set each year at a rate which, when imposed by the District and District No. 3, will generate Property Tax Revenues equal to the Annual Loan Requirements (principal and interest due for the year).

**Unused Lines of Credit**

The Loan does not have any unused lines of credit.

**Collateral**

No assets have been pledged as collateral on the Loan.

**Events of Default**

Events of default occur if the Districts: (a) fail to pay principal and interest when due, (b) fail to impose the Required Mill Levy, and (c) defaults in the performance or observance of any other of the covenants, agreements, or conditions on the part of the District in the Loan Agreement.

**Termination Events**

The Loan does not have a termination provision.

**Acceleration**

The Loan is not subject to acceleration.

**Loan Debt Service**

The outstanding principal and interest of the Loan are due as follows:

Year Ending December 31,	Principal	Interest	Total
2026	\$ 55,000	\$ 375,678	\$ 430,678
2027	60,000	373,005	433,005
2028	70,000	370,089	440,089
2029	75,000	366,687	441,687
2030	100,000	363,042	463,042
2031-2035	765,000	1,594,350	2,359,350
2036-2040	1,090,000	1,394,775	2,484,775
2041-2045	1,480,000	1,115,550	2,595,550
2046-2050	1,995,000	738,450	2,733,450
2051-2054	2,040,000	236,025	2,276,025
Total	<u>\$ 7,730,000</u>	<u>\$ 6,927,651</u>	<u>\$ 14,657,651</u>

**IRON MOUNTAIN METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

**NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)**

**Limited Tax General Obligation Refunding and Improvement Bonds, Series 2019A** (the Senior Bonds) and **Subordinate Limited Tax General Obligation Bonds, Series 2019B** (the Subordinate Bonds, and with the Senior Bonds, the Bonds)

**Bond Proceeds**

The District issued the Senior Bonds and the Subordinate Bonds on December 20, 2019, in the respective par amounts of \$6,945,000 and \$1,000,000. Proceeds from the sale of the Bonds were used to fund a portion of the costs of acquiring, constructing, and/or installing additional public infrastructure to serve the Iron Mountain development. A portion of the proceeds of the Senior Bonds were also used to fund: (a) the Refunding Project, (b) capitalized interest, (c) the Reserve Fund, and (d) the costs of issuing the Bonds.

The Refunding Project consisted of the defeasance and payment, respectively, on the date of issuance of the Bonds, of the Subordinate Taxable Revenue Bond, Series 2011 and the 2014 Taxable Limited Tax Supported Revenue Loan from Points West Community Bank, which are obligations of District No. 1 incurred for the purpose of funding or reimbursing the costs of public improvements constructed and installed within the boundaries of the District.

The Senior and Subordinate Bonds were refunded on April 24, 2025.

**NOTE 5 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 in the amount of \$300,000,000. At December 31, 2025, the District had authorized but unissued indebtedness in the amount of \$290,115,330.

Pursuant to the Service Plan, the Districts are permitted to issue bond indebtedness of up to \$12,000,000 (Service Plan Debt Issuance Limit). In no event are the Districts authorized to issue debt in excess of the Service Plan Issuance Limit, with the exception that such limit is not applicable to refundings or the debt authorized to be issued under the Service Plan.

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.

**IRON MOUNTAIN METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

**NOTE 6 NET POSITION**

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

The restricted component of net position includes assets that are restricted for use either externally imposed by creditors, grantors, contributors, or law and regulations or other governments or imposed by law through constitutional provisions or enabling legislation. As of December 31, 2025, the District had restricted net position of \$367,194 for debt service.

The District has a negative unrestricted net position. This negative net position is a result of the District being responsible for the repayment of long-term debt, and accrued interest, issued to finance public improvements previously constructed and conveyed to other governmental entities.

**NOTE 7 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 of the District 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 8 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, District No. 1 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. 1 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. 1 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 the Districts from the Bonds; and (ii) the District declared its intent, upon issuance of the Bonds, to transfer all available revenues to District No. 1 for the payment of capital costs, including amounts owed by District No. 1 pursuant to a reimbursement agreement that District No. 1 has entered into with the Developer of the District.

**IRON MOUNTAIN METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

**NOTE 8 AGREEMENTS (CONTINUED)**

**Operations IGA**

Pursuant to an Operations IGA, the Districts have agreed that District No. 1 will provide certain operation, maintenance, and administrative services benefiting the Districts, and that the District and District No. 3 will pay all costs related thereto through the imposition of ad valorem property taxes and transferring the net tax revenues to District No. 1.

**NOTE 9 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 10 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, 2025, the District has not provided for an emergency reserve equal to at least 3% of fiscal year spending, as defined under TABOR, because net tax revenue is transferred to District No. 1, the Operating District, which provides for the emergency reserve.

**IRON MOUNTAIN METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

**NOTE 10 TAX, SPENDING, AND DEBT LIMITATIONS (CONTINUED)**

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.

Section 29-1-1702, C.R.S., contains limitations on revenues generated from property tax revenues that apply to certain local governments within the state of Colorado. Annual property tax revenue is limited to a 5.25% increase (10.5% increase over a two-year period), such increase is determined based on prior assessment period and adjusted for allowable exclusions and exemptions from qualified property tax revenues. The District's management believes it is in compliance with the provisions of Section 29-1-1702, C.R.S. However, this section of the C.R.S. is complex and subject to interpretation.

## **SUPPLEMENTARY INFORMATION**

**IRON MOUNTAIN METROPOLITAN DISTRICT NO. 2  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2025**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$ 482,230	\$ 482,230	\$ 482,230	\$ -
Specific Ownership Taxes	19,289	21,000	19,536	(1,464)
Interest Income	20,000	15,000	18,901	3,901
Transfer From Iron Mountain Md No. 3	156,179	156,584	156,922	338
Total Revenues	<u>677,698</u>	<u>674,814</u>	<u>677,589</u>	<u>2,775</u>
<b>EXPENDITURES</b>				
County Treasurer's Fee	7,233	7,233	7,266	(33)
Miscellaneous	6,267	1,000	185	815
Paying Agent Fees	7,500	5,000	1,101	3,899
Transfer to Iron Mountain MD No. 1	-	387,000	-	387,000
Bond Interest - Series 2019A Senior Bonds	345,000	-	-	-
Bond Interest - Series 2019B Subordinate Bonds	325,000	-	-	-
Bond Principal - Series 2019A Senior Bonds	50,000	-	-	-
Bond Principal - Series 2019B Subordinate Bonds	150,000	-	-	-
Loan Interest - Series 2025 G. O. Refunding Loan	-	227,769	227,769	-
Loan Principal - Series 2025 G. O. Refunding Loan	-	45,000	45,000	-
Bond Issue Costs	-	254,223	254,224	(1)
Contingency	-	1,573	-	1,573
Total Expenditures	<u>891,000</u>	<u>928,798</u>	<u>535,545</u>	<u>393,253</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Loan Issuance - Series 2025 G. O. Refunding Loan	-	7,775,000	7,775,000	-
Refunding - Series 2019A & 2019B	-	(8,578,202)	(8,578,202)	-
Total Other Financing Uses	<u>-</u>	<u>(803,202)</u>	<u>(803,202)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	(213,302)	(1,057,186)	(661,158)	396,028
Fund Balance - Beginning of Year	<u>1,046,791</u>	<u>1,059,659</u>	<u>1,059,659</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 833,489</u>	<u>\$ 2,473</u>	<u>\$ 398,501</u>	<u>\$ 396,028</u>

## **OTHER INFORMATION**

**IRON MOUNTAIN METROPOLITAN DISTRICT NO. 2**  
**SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**  
**DECEMBER 31, 2025**

\$7,775,000

General Obligation Refunding Loan, Series 2025

Dated April 24, 2025

Principal Due December 1

4.860 % Interest Payable June 1 and December 1

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 55,000	\$ 375,678	\$ 430,678
2027	60,000	373,005	433,005
2028	70,000	370,089	440,089
2029	75,000	366,687	441,687
2030	100,000	363,042	463,042
2031	130,000	331,650	461,650
2032	145,000	325,800	470,800
2033	150,000	319,275	469,275
2034	165,000	312,525	477,525
2035	175,000	305,100	480,100
2036	190,000	297,225	487,225
2037	200,000	288,675	488,675
2038	220,000	279,675	499,675
2039	230,000	269,775	499,775
2040	250,000	259,425	509,425
2041	260,000	248,175	508,175
2042	280,000	236,475	516,475
2043	295,000	223,875	518,875
2044	315,000	210,600	525,600
2045	330,000	196,425	526,425
2046	355,000	181,575	536,575
2047	375,000	165,600	540,600
2048	400,000	148,725	548,725
2049	420,000	130,725	550,725
2050	445,000	111,825	556,825
2051	465,000	91,800	556,800
2052	500,000	70,875	570,875
2053	520,000	48,375	568,375
2054	555,000	24,975	579,975
Total	<u>\$ 7,730,000</u>	<u>\$ 6,927,651</u>	<u>\$ 14,657,651</u>

**IRON MOUNTAIN METROPOLITAN DISTRICT NO. 2**  
**SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED**  
**DECEMBER 31, 2025**

Year Ended December 31,	Assessed Valuation	Percent Change	Total Mills Levied			Total Property Taxes		Percent Collected to Levied
			General Operations	Debt Service	Total	Levied	Collected	
2021	\$ 6,838,860	0.0%	6.277	28.723	35.000	\$ 239,360	\$ 239,715	100.15 %
2022	10,003,490	46.3%	4.567	30.433	35.000	350,122	350,532	100.12 %
2023	10,421,710	4.2%	4.488	30.512	35.000	364,760	363,431	99.64 %
2024	13,386,550	28.4%	3.540	33.093	36.633	490,389	490,804	100.08 %
2025	14,497,070	8.3%	3.355	33.264	36.619	530,868	531,352	100.09 %
Estimated for Year Ending December 31, 2026	\$ 18,435,950	27.2%	2.912	18.614	21.526	\$ 396,852		

**Note:**

Property taxes collected in any one year include collection of delinquent property taxes levied in prior years. Information received from the Treasurer does not permit identification of specific year of levy.

Source: Weld County Assessor and Treasurer.