

IRON MOUNTAIN METROPOLITAN DISTRICT NO. 2
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2022

IRON MOUNTAIN METROPOLITAN DISTRICT NO. 2
SUMMARY
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,

12/6/21

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ 2,852,171	\$ 2,750,403	\$ 2,700,398
REVENUES			
Property taxes	238,280	239,360	350,122
Specific ownership taxes	11,143	11,967	17,506
Interest income	37,852	7,020	1,700
Developer advance	-	-	1,849,822
Transfers from Iron Mountain No. 1	406	-	-
Transfers from Iron Mountain No. 3	4,852	91,741	113,468
Total revenues	<u>292,533</u>	<u>350,088</u>	<u>2,332,618</u>
Total funds available	<u>3,144,704</u>	<u>3,100,491</u>	<u>5,033,016</u>
EXPENDITURES			
General Fund	61,435	45,093	47,970
Debt Service Fund	332,866	355,000	358,000
Capital Projects Fund	-	-	3,699,644
Total expenditures	<u>394,301</u>	<u>400,093</u>	<u>4,105,614</u>
Total expenditures and transfers out requiring appropriation	<u>394,301</u>	<u>400,093</u>	<u>4,105,614</u>
ENDING FUND BALANCES	<u>\$ 2,750,403</u>	<u>\$ 2,700,398</u>	<u>\$ 927,402</u>
DEBT SERVICE RESERVE	533,750	533,750	533,750
CAPITALIZED INTEREST	85,087	111,306	-
SURPLUS FUND	-	206,420	280,000
RESERVE FOR FUTURE DEBT SERVICE	-	-	113,652
TOTAL RESERVE	<u>\$ 618,837</u>	<u>\$ 851,476</u>	<u>\$ 927,402</u>

No assurance provided. See summary of significant assumptions.

IRON MOUNTAIN METROPOLITAN DISTRICT NO. 2
PROPERTY TAX SUMMARY INFORMATION
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,

1/18/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
ASSESSED VALUATION			
Commercial	\$ 4,947,290	\$ 5,056,510	\$ 7,393,790
Industrial	1,435,760	1,435,760	2,182,340
State assessed	210	-	10
Vacant land	425,660	335,240	414,610
Personal property	8,010	10,070	11,470
Oil and gas	1,240	1,280	1,270
Certified Assessed Value	\$ 6,818,170	\$ 6,838,860	\$ 10,003,490
MILL LEVY			
General	8.613	6.277	4.567
Debt Service	26.387	28.723	30.433
Total mill levy	35.000	35.000	35.000
PROPERTY TAXES			
General	\$ 58,725	\$ 42,928	\$ 45,686
Debt Service	179,911	196,432	304,436
Levied property taxes	238,636	239,360	350,122
Adjustments to actual/rounding	(356)	-	-
Budgeted property taxes	\$ 238,280	\$ 239,360	\$ 350,122
BUDGETED PROPERTY TAXES			
General	\$ 58,637	\$ 42,928	\$ 45,686
Debt Service	179,643	196,432	304,436
	\$ 238,280	\$ 239,360	\$ 350,122

No assurance provided. See summary of significant assumptions.

**IRON MOUNTAIN METROPOLITAN DISTRICT NO. 2
GENERAL FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

12/6/21

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Property taxes	58,637	42,928	45,686
Specific ownership taxes	2,742	2,145	2,284
Interest income	56	20	-
Total revenues	<u>61,435</u>	<u>45,093</u>	<u>47,970</u>
Total funds available	<u>61,435</u>	<u>45,093</u>	<u>47,970</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	880	644	685
Transfer to Iron Mountain No. 1	60,555	44,449	47,285
Total expenditures	<u>61,435</u>	<u>45,093</u>	<u>47,970</u>
Total expenditures and transfers out requiring appropriation	<u>61,435</u>	<u>45,093</u>	<u>47,970</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

IRON MOUNTAIN METROPOLITAN DISTRICT NO. 2
DEBT SERVICE FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,

12/6/21

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ 1,021,846	\$ 908,481	\$ 851,476
REVENUES			
Property taxes	179,643	196,432	304,436
Specific ownership taxes	8,401	9,822	15,222
Interest income	26,199	-	800
Transfers from Iron Mountain No. 3	4,852	91,741	113,468
Transfers from Iron Mountain No. 1	406	-	-
Total revenues	<u>219,501</u>	<u>297,995</u>	<u>433,926</u>
Total funds available	<u>1,241,347</u>	<u>1,206,476</u>	<u>1,285,402</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	2,697	2,946	4,567
Unrealized Investment Losses	-	1,500	-
Miscellaneous	41	804	3,683
Paying agent fees	1,205	2,500	2,500
Debt Service			
Bond interest - Series 2019A Senior Bonds	328,923	347,250	347,250
Total expenditures	<u>332,866</u>	<u>355,000</u>	<u>358,000</u>
Total expenditures and transfers out requiring appropriation	<u>332,866</u>	<u>355,000</u>	<u>358,000</u>
ENDING FUND BALANCE	<u>\$ 908,481</u>	<u>\$ 851,476</u>	<u>\$ 927,402</u>
DEBT SERVICE RESERVE	\$ 533,750	\$ 533,750	\$ 533,750
CAPITALIZED INTEREST	285,865	111,306	-
SURPLUS FUND	-	206,420	280,000
RESERVE FOR FUTURE DEBT SERVICE	-	-	113,652
TOTAL RESERVE	<u>\$ 819,615</u>	<u>\$ 851,476</u>	<u>\$ 927,402</u>

No assurance provided. See summary of significant assumptions.

**IRON MOUNTAIN METROPOLITAN DISTRICT NO. 2
CAPITAL PROJECTS FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

12/6/21

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ 1,830,325	\$ 1,841,922	\$ 1,848,922
REVENUES			
Interest income	11,597	7,000	900
Developer advance	-	-	1,849,822
Total revenues	<u>11,597</u>	<u>7,000</u>	<u>1,850,722</u>
Total funds available	<u>1,841,922</u>	<u>1,848,922</u>	<u>3,699,644</u>
EXPENDITURES			
Capital Projects			
Repay developer advance	-	-	1,849,822
Public improvements	-	-	1,849,822
Total expenditures	<u>-</u>	<u>-</u>	<u>3,699,644</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>-</u>	<u>3,699,644</u>
ENDING FUND BALANCE	<u>\$ 1,841,922</u>	<u>\$ 1,848,922</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**IRON MOUNTAIN METROPOLITAN DISTRICT NO. 2
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

Iron Mountain Metropolitan District No. 2's (the District) organization was approved by eligible electors of the District at an election held on Tuesday, November 7, 2006. The District was organized by order 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. 1 and Iron Mountain Metropolitan District No. 3 on September 24, 2006. The District exists as a quasi-municipal corporation and political subdivision of the State of Colorado under Title 32, Article 1 of the Colorado Revised Statutes, as amended (C.R.S).

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.

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Revenues

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 normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April 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.

The calculation of the taxes levied is displayed on page 3 of the budget document at the adopted total mill levy of 35.000 mills.

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 5% of the property taxes collected.

**IRON MOUNTAIN METROPOLITAN DISTRICT NO. 2
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

Transfer from Iron Mountain Metropolitan District No. 3

Pursuant to the Senior Capital Pledge Agreement dated December 1, 2019, Iron Mountain Metropolitan District No. 3 agreed to impose ad valorem property taxes and transfer such tax revenues, net of fees, to the District to provide for the payment of the bonds issued by the District in December 2019 (see Debt and Leases).

Expenditures

County Treasurer's Fees

County Treasurer's collection fees have been computed at 1.5% of property taxes.

Transfer to Iron Mountain Metropolitan District No. 1

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

Debt Service

Principal and interest payments are provided based on the attached debt amortization schedule from the Limited Tax General Obligation Refunding and Improvement Bonds, Series 2019. The District does not anticipate making any interest payments on the Subordinate Bonds.

Capital Expenditures

Capital expenditures are reflected on page 6 of the budget document.

Debt and Leases

On December 20, 2019, the District issued \$6,945,000 in Limited Tax General Obligation Refunding and Improvement Bonds, Series 2019A ("Senior Bonds") to fund (a) the Refunding Project, (b) a portion of the interest to accrue on the Series 2019A Senior Bonds, (c) the Reserve Fund, (d) the costs of issuing the Bonds, and (e) a portion of the costs of acquiring, constructing, and/or installing additional public infrastructure within the District. The Senior Bonds are limited tax general obligations of the District secured by and payable from the Senior Pledged Revenue consisting of the following revenues, net of any costs of collection: (a) all Senior Property Tax Revenues; (b) all Senior Specific Ownership Tax Revenues; and (c) any other legally available moneys. \$2,635,000 of the Bonds are due December 1, 2039 and \$4,310,000 of the Bonds are due December 1, 2049, with an interest rate of 5% paid semiannually on June 1 and December 1. The Senior Bonds are subject to redemption prior to maturity, at the option of the District, as a whole or integral multiples of \$1,000, in any order of maturity, and in whole or partial maturities, on December 1, 2024, and on any date thereafter, upon payment of par, accrued interest, and redemption premium equal to a percentage of the principal amount. The Senior Bonds maturing on December 1, 2039 are subject to mandatory sinking fund redemption, in part, by lot,

**IRON MOUNTAIN METROPOLITAN DISTRICT NO. 2
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (continued)

on December 1, 2024, and on each December 1 thereafter prior to the maturity date, upon payment of par and accrued interest, without redemption premium. The Senior Bonds maturing on December 1, 2049 are subject to mandatory sinking fund redemption, in part, by lot, on December 1, 2040, and on each December 1 thereafter prior to the maturity date, upon payment of par and accrued interest, without redemption premium.

On December 20, 2019, the District issued \$1,000,000 in Subordinate Limited Tax General Obligation Bonds, Series 2019B ("Subordinate Bonds") to fund a portion of acquiring, constructing, and/or installing additional public infrastructure within the District. The Series 2019B Subordinate Bonds are "cash flow" limited tax general obligations of the District secured by and payable from the Subordinate Pledged Revenue, consisting of the following revenues, net of any costs of collection: (a) all Subordinate Property Tax Revenues; (b) all Subordinate Specific Ownership Tax Revenues; and (c) any other legally available moneys. No regularly scheduled payments of principal are due on the Subordinate Bonds prior to their maturity date, and any interest payments on the Subordinate Bonds that are not paid when due will accrue and compound on each Interest Payment Date until sufficient Subordinate Pledged Revenue is available for payment.

The District has no capital or operating leases.

Reserves

Emergency Reserves

The District has not provided for an Emergency Reserve equal to at least 3% of fiscal year spending for 2022, as defined under TABOR, because net tax revenue is transferred to Iron Mountain Metropolitan District No. 1, the Operating District, which provides for the required reserve amount.

This information is an integral part of the accompanying budget.

IRON MOUNTAIN METROPOLITAN DISTRICT NO. 2
SCHEDULE OF ESTIMATED DEBT SERVICE REQUIREMENTS TO MATURITY

\$6,945,000

Limited Tax General Obligation Refunding and Improvement Bonds, Series 2019A

Dated December 20, 2019

Principal Due December 1

5.00% Interest Payable June 1 and December 1

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	-	347,250	347,250
2023	-	347,250	347,250
2024	45,000	347,250	392,250
2025	50,000	345,000	395,000
2026	115,000	342,500	457,500
2027	120,000	336,750	456,750
2028	130,000	330,750	460,750
2029	135,000	324,250	459,250
2030	150,000	317,500	467,500
2031	160,000	310,000	470,000
2032	170,000	302,000	472,000
2033	180,000	293,500	473,500
2034	195,000	284,500	479,500
2035	205,000	274,750	479,750
2036	225,000	264,500	489,500
2037	235,000	253,250	488,250
2038	255,000	241,500	496,500
2039	265,000	228,750	493,750
2040	285,000	215,500	500,500
2041	300,000	201,250	501,250
2042	325,000	186,250	511,250
2043	340,000	170,000	510,000
2044	365,000	153,000	518,000
2045	380,000	134,750	514,750
2046	410,000	115,750	525,750
2047	430,000	95,250	525,250
2048	460,000	73,750	533,750
2049	1,015,000	50,750	1,065,750
	<u>\$ 6,945,000</u>	<u>\$ 6,887,500</u>	<u>\$ 13,832,500</u>

No assurance provided. See summary of significant assumptions.