

IRON WORKS VILLAGE METROPOLITAN DISTRICT

2022 ANNUAL REPORT TO THE CITY OF ENGLEWOOD, COLORADO

Pursuant to §32-1-207(3)(c), C.R.S. and Section VII. of the Service Plan for Iron Works Village Metropolitan District (the “**District**”), the District is required to provide an annual report to the City of Englewood (the “**City**”) with regard to the following matters:

For the year ending December 31, 2022, the District makes the following report:

§32-1-207(3) Statutory Requirements

1. Boundary changes made.

The District did not make any boundary changes to the District’s boundaries in 2022.

2. Intergovernmental Agreements entered into or terminated with other governmental entities.

The District did not enter into or terminate any Intergovernmental Agreements with other governmental entities.

3. Access information to obtain a copy of rules and regulations adopted by the board.

As of December 31, 2022, the District had not adopted any rules or regulations.

4. A summary of litigation involving public improvements owned by the District.

To our actual knowledge, based on review of the court records in Arapahoe County, Colorado and the Public Access to Court Electronic Records (PACER), there is no litigation involving the District’s public improvements as of December 31, 2022.

5. The status of the construction of public improvements by the District.

By 2019, the Developer completed construction of the public improvements needed for the project. Between 2018 and 2019, the District issued bonds and used the proceeds to reimburse the Developer approximately \$2,700,000 in certified public improvement construction costs.

6. A list of facilities or improvements constructed by the District that were conveyed or dedicated to the county or municipality.

As of December 31, 2022, there have not been any facilities or improvements constructed by the District. The Developer dedicated all public improvements to the City prior to 2022.

7. The final assessed valuation of the District as of December 31st of the reporting year.

The net 2022 assessed valuation (less TIF) as certified by the Arapahoe County Assessor is \$3,001,600.

8. A copy of the current year's budget.

*A copy of the 2023 Budget is attached hereto as **Exhibit A**. A mill levy of 16.000 mills for general operating expenses and 43.000 mills for general obligation bonds and interest was imposed in 2022 for collection in fiscal year 2023.*

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

*A copy of the 2021 Audit is attached as **Exhibit B**.*

10. Notice of any uncured defaults existing for more than ninety (90) days under any debt instrument of the District.

There were no uncured events of default that continued beyond a ninety (90) day period, under any Debt instrument.

11. Any inability of the District to pay its obligations as they come due under any obligation which continues beyond a ninety (90) day period.

The District did not experience any inability to pay its obligations as they came due, in accordance with the terms of such obligations, which continue beyond a ninety (90) day period.

EXHIBIT A
2023 Budget

IRONWORKS VILLAGE METROPOLITAN DISTRICT
2023
BUDGET MESSAGE

Attached please find a copy of the adopted 2023 budget for the Ironworks Village Metropolitan District.

The Ironworks Village Metropolitan District has adopted budgets for two funds, a General Fund to provide for the payment of general operating expenditures; and a Debt Service Fund to provide for payments on the general obligation debt.

The district's accountants have utilized the modified accrual basis of accounting and the budget has been adopted after proper postings, publications, and public hearing.

The primary sources of revenue for the district in 2023 will be property taxes and O&M fees. The district intends to impose a 59.000 mill levy on the property within the district for 2023, of which 16.000 mills will be dedicated to the General Fund and the balance of 43.000 mills will be allocated to the Debt Service Fund.

Ironworks Village Metropolitan District
Adopted Budget
General Fund
For the Year ended December 31, 2023

	Actual 2021	Adopted Budget 2022	Actual 06/30/22	Estimate 2022	Adopted Budget 2023
Beginning fund balance	\$ 73,437	\$ 82,917	\$ 78,404	\$ 78,404	\$ 48,235
Revenues:					
Property taxes	28,552	44,177	44,267	44,177	48,025
Property taxes TIF	10,661	15,444	15,444	15,444	17,750
Specific ownership taxes	2,256	4,769	1,835	3,600	6,578
O&M Fees	100,055	107,798	81,536	107,798	114,240
Developer advances	46,575	-	-	-	-
Interest income	74	50	493	600	50
Total revenues	<u>188,173</u>	<u>172,238</u>	<u>143,575</u>	<u>171,619</u>	<u>186,643</u>
Total funds available	<u>261,610</u>	<u>255,155</u>	<u>221,979</u>	<u>250,023</u>	<u>234,878</u>
Expenditures:					
Accounting / audit	17,088	14,000	6,232	13,000	14,000
Election	-	2,000	490	490	2,000
Insurance/SDA dues	6,257	6,500	6,601	6,601	7,000
Legal	14,446	20,000	5,206	12,000	12,000
Management	39,620	23,000	12,623	30,000	35,000
Landscaping maintenance	30,678	35,000	3,707	30,000	36,750
Pet waste pickup	2,494	5,000	1,096	3,000	5,250
Irrigation repair	-	5,000	-	-	-
Landscape improvements	26,733	25,000	5,636	10,000	25,000
Trash and recycling	17,717	20,000	12,613	24,000	25,000
Utilities	23,575	25,000	2,533	10,000	10,000
Site lighting	-	1,000	-	-	1,000
Snow removal	-	30,000	45,237	60,000	45,000
Mailboxes maintenance	-	2,000	-	-	-
O&M reserve	-	20,000	-	-	-
Miscellaneous	3,970	4,000	1,881	2,000	2,000
Treasurer fees	428	663	664	663	676
Treasurer fees EURA pass through	200	72	72	34	99
Contingency	-	9,775	-	-	7,483
Emergency reserve (3%)	-	7,145	-	-	6,620
Total expenditures	<u>183,206</u>	<u>255,155</u>	<u>104,591</u>	<u>201,788</u>	<u>234,878</u>
Ending fund balance	<u>\$ 78,404</u>	<u>\$ -</u>	<u>\$ 117,388</u>	<u>\$ 48,235</u>	<u>\$ -</u>
Assessed valuation		4,258,598			4,110,934
Tif		1,103,048			1,109,334
Assessed valuation		<u>\$ 3,155,550</u>			<u>\$ 3,001,600</u>
Mill Levy		<u>14.000</u>			<u>16.000</u>

Ironworks Village Metropolitan District
Adopted Budget
Capital Projects Fund
For the Year ended December 31, 2023

	Actual <u>2021</u>	Adopted Budget <u>2022</u>	Actual <u>06/30/22</u>	Estimate <u>2022</u>	Adopted Budget <u>2023</u>
Beginning fund balance	\$ 7,733	\$ -	\$ -	\$ -	\$ -
Revenues:					
Interest income	<u>2</u>	-	-	-	-
Total revenues	<u>2</u>	-	-	-	-
Total funds available	<u>7,735</u>	-	-	-	-
Expenditures:					
Transfer to Debt Service	<u>7,735</u>	-	-	-	-
Total expenditures	<u>7,735</u>	-	-	-	-
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Ironworks Village Metropolitan District
Adopted Budget
Debt Service Fund
For the Year ended December 31, 2023

	Actual <u>2021</u>	Adopted Budget <u>2022</u>	Actual <u>06/30/22</u>	Estimate <u>2022</u>	Adopted Budget <u>2023</u>
Beginning fund balance	\$ 486,770	\$ 13,707	\$ 7,735	\$ 7,735	\$ 12,316
Revenues:					
Property taxes	158,933	135,689	135,963	135,960	129,069
Property taxes TIF	-	47,431	47,431	47,431	47,701
EURA pass through	90,999	-	-	-	-
Specific ownership taxes	12,560	10,908	5,637	14,000	9,736
Loan Proceeds	3,850,000	-	-	-	-
Interest income	440	2,000	67	200	2,000
Total revenues	<u>4,120,667</u>	<u>196,028</u>	<u>189,098</u>	<u>197,591</u>	<u>188,506</u>
Total funds available	<u>4,607,437</u>	<u>209,735</u>	<u>196,833</u>	<u>205,326</u>	<u>200,822</u>
Expenditures:					
Bond interest expense	89,741	120,991	68,675	120,991	109,961
Bond principal	-	65,000	-	65,000	70,000
Treasurer's fees TIF	1,112	711	575	575	716
Treasurer's fees	2,385	2,035	2,040	1,444	1,936
Payment to escrow agent	4,329,397	-	-	-	-
Cost of issuance	177,067	-	-	-	-
Trustee / paying agent fees	-	7,500	4,889	5,000	7,500
Total expenditures	<u>4,599,702</u>	<u>196,237</u>	<u>76,179</u>	<u>193,010</u>	<u>190,113</u>
Ending fund balance	<u>\$ 7,735</u>	<u>\$ 13,498</u>	<u>\$ 120,654</u>	<u>\$ 12,316</u>	<u>\$ 10,709</u>
Assessed valuation		4,258,598			4,110,934
Tif		1,103,048			1,109,334
Assessed valuation		<u>\$ 3,155,550</u>			<u>\$ 3,001,600</u>
Mill Levy (fully gallagherized in 2019)		<u>43.000</u>			<u>43.000</u>
Total Mill Levy		<u>57.000</u>			<u>59.000</u>

EXHIBIT B
2021 Audit

IRON WORKS VILLAGE METROPOLITAN DISTRICT

Financial Statements

Year Ended December 31, 2021

with

Independent Auditor's Report

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Board of Directors
Iron Works Village Metropolitan District
Arapahoe County, Colorado

Independent Auditor's Report

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Iron Works Village Metropolitan District (the "District"), as of and for the year ended December 31, 2021, 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 accompanying 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 Works Village Metropolitan District as of December 31, 2021, and the respective changes in financial position and the respective 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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 (GAAP), and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known 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 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Required Supplemental Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplemental information as listed in the table of contents is presented for the purposes of legal compliance and additional analysis and is not a required part of the basic financial statements. The supplemental 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, such information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Wipfli LLP

Wipfli LLP
Lakewood, Colorado

September 30, 2022

Iron Works Village Metropolitan District

BALANCE SHEET/STATEMENT OF NET POSITION GOVERNMENTAL FUNDS December 31, 2021

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
ASSETS						
Cash and investments	\$ 91,772	\$ -	\$ -	\$ 91,772	\$ -	\$ 91,772
Cash and investments - restricted	7,145	48,195	-	55,340	-	55,340
Receivable - County Treasurer	184	1,025	-	1,209	-	1,209
Property taxes receivable	44,177	135,689	-	179,866	-	179,866
Prepaid expenses	450	-	-	450	-	450
Assessments receivable	12,034	-	-	12,034	-	12,034
Capital assets not being depreciated	-	-	-	-	2,790,776	2,790,776
Total Assets	<u>155,762</u>	<u>184,909</u>	<u>-</u>	<u>340,671</u>	<u>2,790,776</u>	<u>3,131,447</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred loss on refunding	-	-	-	-	516,861	516,861
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>516,861</u>	<u>516,861</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 155,762</u>	<u>\$ 184,909</u>	<u>\$ -</u>	<u>\$ 340,671</u>		
LIABILITIES						
Accounts payable	\$ 33,138	\$ 41,485	\$ -	\$ 74,623	-	74,623
Accrued interest	-	-	-	-	13,381	13,381
Long-term liabilities:						
Due within one year	-	-	-	-	65,000	65,000
Due in more than one year	-	-	-	-	4,019,497	4,019,497
Total Liabilities	<u>33,138</u>	<u>41,485</u>	<u>-</u>	<u>74,623</u>	<u>4,097,878</u>	<u>4,172,501</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred property taxes	44,177	135,689	-	179,866	-	179,866
Total Deferred Inflows of Resources	<u>44,177</u>	<u>135,689</u>	<u>-</u>	<u>179,866</u>	<u>-</u>	<u>179,866</u>
FUND BALANCES/NET POSITION						
Fund Balances:						
Nonspendable:						
Prepays	450	-	-	450	(450)	-
Restricted:						
Emergencies	7,145	-	-	7,145	(7,145)	-
Debt service	-	7,735	-	7,735	(7,735)	-
Unassigned	70,852	-	-	70,852	(70,852)	-
Total Fund Balances	<u>78,447</u>	<u>7,735</u>	<u>-</u>	<u>86,182</u>	<u>(86,182)</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 155,762</u>	<u>\$ 184,909</u>	<u>\$ -</u>	<u>\$ 340,671</u>		
Net Position:						
Restricted for:						
Emergencies					7,145	7,145
Debt service					(5,646)	(5,646)
Unrestricted					(853,997)	(853,997)
Total Net Position					<u>\$ (704,059)</u>	<u>\$ (704,059)</u>

The notes to the financial statements are an integral part of these statements.

Iron Works Village Metropolitan District

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES/STATEMENT OF ACTIVITIES GOVERNMENTAL FUNDS For the Year Ended December 31, 2021

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
EXPENDITURES						
Accounting and audit	\$ 17,088	\$ -	\$ -	\$ 17,088	\$ -	\$ 17,088
Insurance	6,257	-	-	6,257	-	6,257
Legal	14,446	-	-	14,446	-	14,446
Management fees	39,620	-	-	39,620	-	39,620
Miscellaneous expenses	3,970	-	6	3,976	-	3,976
Landscaping	30,678	-	-	30,678	-	30,678
Pet waste pickup	2,494	-	-	2,494	-	2,494
Trash and Recycling	17,717	-	-	17,717	-	17,717
Roads & Sidewalk maintenance	26,733	-	-	26,733	-	26,733
Loan issuance costs	-	177,067	-	177,067	-	177,067
Utilities	25,648	-	-	25,648	-	25,648
Treasurer's fees	428	2,385	-	2,813	-	2,813
Treasurer's fees EURA pass through	200	1,112	-	1,312	-	1,312
Bond interest expense	-	89,741	-	89,741	128,804	218,545
Interest on developer advances	-	-	-	-	15,989	15,989
Total Expenditures	<u>185,279</u>	<u>270,305</u>	<u>6</u>	<u>455,590</u>	<u>144,793</u>	<u>600,383</u>
PROGRAM REVENUES						
Homeowner assessments	<u>100,094</u>	<u>-</u>	<u>-</u>	<u>100,094</u>	<u>-</u>	<u>100,094</u>
Total Program Revenues	<u>100,094</u>	<u>-</u>	<u>-</u>	<u>100,094</u>	<u>-</u>	<u>100,094</u>
Net Program Income (Expenses)	<u>(85,185)</u>	<u>(270,305)</u>	<u>(6)</u>	<u>(355,496)</u>	<u>(144,793)</u>	<u>(500,289)</u>
GENERAL REVENUES						
Property taxes	28,552	158,933	-	187,485	-	187,485
EURA pass through	10,661	90,999	-	101,660	-	101,660
Specific ownership taxes	2,256	12,560	-	14,816	-	14,816
Interest income	74	440	2	516	-	516
Total General Revenues	<u>41,543</u>	<u>262,932</u>	<u>2</u>	<u>304,477</u>	<u>-</u>	<u>304,477</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES						
	(43,642)	(7,373)	(4)	(51,019)	(144,793)	(195,812)
OTHER FINANCING SOURCES (USES)						
Loan proceeds	-	3,850,000	-	3,850,000	(3,850,000)	-
Payment to refunding agent	-	(4,329,397)	-	(4,329,397)	4,329,397	-
Developer advances	46,575	-	-	46,575	(46,575)	-
Transfers (to)/from other funds	-	7,735	(7,735)	-	-	-
Total Other Financing Sources (Uses)	<u>46,575</u>	<u>(471,662)</u>	<u>(7,735)</u>	<u>(432,822)</u>	<u>432,822</u>	<u>-</u>
NET CHANGES IN FUND BALANCES						
	2,933	(479,035)	(7,739)	(483,841)	483,841	
CHANGE IN NET POSITION						
					(195,812)	(195,812)
FUND BALANCES/NET POSITION:						
BEGINNING OF YEAR	<u>75,514</u>	<u>486,770</u>	<u>7,739</u>	<u>570,023</u>	<u>(1,078,270)</u>	<u>(508,247)</u>
END OF YEAR	<u>\$ 78,447</u>	<u>\$ 7,735</u>	<u>-</u>	<u>\$ 86,182</u>	<u>\$ (790,241)</u>	<u>\$ (704,059)</u>

The notes to the financial statements are an integral part of these statements.

Iron Works Village Metropolitan District

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended December 31, 2021

	Original & Final <u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Property taxes	\$ 28,585	\$ 28,552	\$ (33)
Property taxes TIF	4,155	10,661	-
O&M Fees	81,878	-	-
Specific ownership taxes	2,287	2,256	(31)
Homeowner assessments	-	100,094	100,094
Interest income	<u>50</u>	<u>74</u>	<u>24</u>
Total Revenues	<u>116,955</u>	<u>141,637</u>	<u>100,054</u>
EXPENDITURES			
Accounting and audit	14,000	17,088	(3,088)
Insurance	5,500	6,257	(757)
Legal	25,000	14,446	10,554
Management fees	23,000	39,620	(16,620)
Miscellaneous expenses	2,000	3,970	(1,970)
Detention pond	7,600	-	7,600
Landscaping	25,000	30,678	(5,678)
Common area maintenance	25,000	-	25,000
Pet waste pickup	-	2,494	(2,494)
Trash and Recycling	20,000	17,717	2,283
Utilities	25,000	25,648	(648)
Roads & Sidewalk maintenance	25,000	26,733	(1,733)
Site lighting	1,000	-	1,000
Mailbox maintenance	2,000	-	2,000
Treasurer's fees	429	428	1
Treasurer's fees TIF	34	200	(166)
Contingency	5,693	-	5,693
O&M reserve	10,373	-	10,373
Emergency reserve	<u>6,327</u>	<u>-</u>	<u>6,327</u>
Total Expenditures	<u>222,956</u>	<u>185,279</u>	<u>37,677</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(106,001)	(43,642)	137,731
OTHER FINANCING SOURCES (USES)			
Developer advances	<u>51,931</u>	<u>46,575</u>	<u>(5,356)</u>
Total Other Financing Sources (Uses)	<u>51,931</u>	<u>46,575</u>	<u>(5,356)</u>
NET CHANGE IN FUND BALANCE	(54,070)	2,933	132,375
FUND BALANCE:			
BEGINNING OF YEAR	<u>54,070</u>	<u>75,514</u>	<u>21,444</u>
END OF YEAR	<u>\$ -</u>	<u>\$ 78,447</u>	<u>\$ 153,819</u>

The notes to the financial statements are an integral part of these statements.

IRON WORKS VILLAGE METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2021

Note 1: Summary of Significant Accounting Policies

The accounting policies of the Iron Works Village Metropolitan District (“District”), located in the City of Englewood in Arapahoe County, Colorado, conform to the accounting principles generally accepted in the United States of America (“GAAP”) as applicable to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies consistently applied in the preparation of financial statements.

Definition of Reporting Entity

The District was organized on January 13, 2017, as a quasi-municipal organization established under the State of Colorado Special District Act. The District operates pursuant to a service plan approved by the City of Englewood (the “City”) on October 3, 2016 (the “Service Plan”). The District was established to provide for the construction and completion of a part or all of the public improvements for the use and benefit of the residents and property owners within the service area. The District's primary revenues are property taxes and developer advances. The District is governed by an elected Board of Directors.

As required by GAAP, these financial statements present the activities of the District, which is legally separate and financially independent of other state and local governments. The District follows the GASB pronouncements, which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB sets 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 pronouncements also require including a possible component unit if it would be misleading to exclude it.

The District is not financially accountable for any other organization. The District has no component units as defined by the GASB.

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

Basis of Presentation

The accompanying financial statements are presented per GASB Statement No. 34 - Special Purpose Governments.

IRON WORKS VILLAGE METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2021

The government-wide financial statements (i.e. the governmental funds balance sheet/statement of net position and the governmental funds statement of revenues, expenditures, and changes in fund balances/statement of activities) report information on all of the governmental activities of the District. The statement of net position reports all financial and capital resources of the District. The difference between the (a) assets and deferred outflows of resources and the (b) liabilities and deferred inflows of resources of the District is reported as net position. The statement of activities demonstrates the degree to which expenditures/expenses of the governmental funds are supported by general revenues. For the most part, the effect of interfund activity has been removed from these statements.

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 instead as *general revenues*.

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 the related cash flows. Property taxes are recognized as revenues in the year for which they are collected.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The material sources of revenue subject to accrual are property taxes and interest. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is paid.

The District reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources not accounted for and reported in another fund.

IRON WORKS VILLAGE METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2021

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Capital Projects Fund – The Capital Projects Fund is used to account for all financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other assets.

Budgetary Accounting

Budgets are adopted on a non-GAAP basis for the governmental funds. In accordance with the State Budget Law of Colorado, the District's Board of Directors holds public hearings in the fall of each year to approve the budget and appropriate the funds for the ensuing year. 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 appropriation is at the total fund expenditures level and lapses at year end. The District amended the total appropriations in both the Debt Service Fund and the Capital Projects Fund primarily due to the issuance of the 2021 Loan.

Assets, Liabilities and Net Position

Fair Value of Financial Instruments

The District's financial instruments include cash, investments, accounts receivable and accounts payable. The District estimates that the fair value of all financial instruments at December 31, 2021, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

Deposits and Investments

The District's cash and short-term investments with maturities of three months or less from the date of acquisition are considered to be cash on hand. Investments for the government are reported at fair value.

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 minimum number of bank accounts. 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.

Estimates

The preparation of these financial statements in conformity with GAAP requires the District management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

IRON WORKS VILLAGE METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2021

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. . The District has one item that qualifies for reporting in this category. It is the deferred loss on refunding reported in the government-wide statement of net position. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) 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. Deferred property taxes are deferred and recognized as an inflow of resources in the period that the amounts become available.

Deferred Loss on Refunding

The deferred loss on refunding is being amortized over the life of the bonds using the effective interest method. There was no amortization for the year ended December 31, 2021.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable using the straight-line method.

Depreciation on property that will remain assets of the District is reported on the Statement of Activities as a current charge. Improvements that will be conveyed to other governmental entities are classified as construction in progress and are not depreciated. Land and certain landscaping improvements are not depreciated. No depreciation expense was recognized during 2021.

IRON WORKS VILLAGE METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2021

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 30 or if in equal installments, at the taxpayers' election, in February and June. Delinquent taxpayers are notified in July or August and the sales of the resultant tax liens on delinquent properties are generally held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflows in the year they are levied and measurable since they are not normally available nor are they budgeted as a resource until the subsequent year. The deferred property taxes are recorded as revenue in the subsequent year when they are available or collected.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

Fund Equity

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications make the nature and extent of the constraints placed on a government's fund balance more transparent:

Nonspendable Fund Balance

Nonspendable fund balance includes amounts that cannot be spent because they are either not spendable in form (such as inventory or prepaids) or are legally or contractually required to be maintained intact. The nonspendable fund balance in the General Fund in the amount of \$450 represents prepaid insurance.

Restricted Fund Balance

The restricted fund balance includes amounts restricted for a specific purpose by external parties such as grantors, bondholders, constitutional provisions or enabling legislation.

The restricted fund balance in the General Fund represents Emergency Reserves that have been provided as required by Article X, Section 20 of the Constitution of the State of Colorado. A total of \$7,145 of the General Fund balance has been reserved in compliance with this requirement.

The restricted fund balance in the Debt Service Fund in the amount of \$7,735 is restricted for the payment of the debt service costs associated with the Series 2021 Loan (see Note 4).

IRON WORKS VILLAGE METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2021

Committed Fund Balance

The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by a 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

Assigned fund balance includes amounts the District intends to use for a specific purpose. Intent can be expressed by the District's Board of Directors or by an official or body to which the Board of Directors delegates the authority.

Unassigned Fund Balance

Unassigned fund balance includes amounts that are available for any purpose. Positive amounts are reported only in the General Fund all funds can report negative amounts.

Net Position

Net Position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The District can report three categories of net position, as follows:

Net investment in capital assets – consists of net capital assets, reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.

Restricted net position – net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.

Unrestricted net position – consists of all other net position that does not meet the definition of the above two components and is available for general use by the District.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District will use the most restrictive net position first.

Note 2: Cash and investments

As of December 31, 2021, cash is classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and investments	\$ 91,772
Cash and investments - restricted	<u>55,340</u>
Total	\$ <u>147,112</u>

IRON WORKS VILLAGE METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2021

Cash and cash investments as of December 31, 2021, consist of the following:

Deposits with financial institutions	\$ 90,218
COLOTRUST	<u>56,894</u>
Total	\$ <u>147,112</u>

Deposits

Custodial Credit Risk

The Colorado Public Deposit Protection Act, (“PDPA”) requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. 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 is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits. The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

The District follows state statutes for deposits. None of the District’s deposits were exposed to custodial credit risk.

Investments

Credit Risk

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments. Colorado statutes specify the types of investments meeting defined rating and risk criteria in which local governments may invest. These investments include obligations of the United States and certain U.S. Government agency entities, certain money market funds, guaranteed investment contracts, and local government investment pools.

Custodial and Concentration of Credit Risk

None of the District’s investments are subject to custodial or concentration of credit risk.

Interest Rate Risk

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors.

Investment Valuation

Certain investments are measured at fair value within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District’s investment is not required to be categorized within the fair value hierarchy. This investment’s value is calculated using the net asset value method (NAV) per share.

IRON WORKS VILLAGE METROPOLITAN DISTRICT

Notes to Financial Statements
December 31, 2021

As of December 31, 2021, the District had the following investment:

COLOTRUST

The local government investment pool, Colorado Local Government Liquid Asset Trust (“COLOTRUST”) is rated AAAM by Standard & Poor’s with a weighted average maturity of under 60 days. COLOTRUST is an investment trust/joint venture established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing COLOTRUST. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST using the net asset value method. COLOTRUST operates similarly to a money market fund with each share maintaining a value of \$1.00. COLOTRUST offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both investments consist of U.S. Treasury bills and notes and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. Designated custodian banks provide safekeeping and depository services to COLOTRUST. Substantially all securities owned by COLOTRUST are held by the Federal Reserve Bank in the accounts maintained for the custodian banks. The custodians’ internal records identify the investments owned by COLOTRUST. At December 31, 2021, the District had \$56,894 invested in COLOTRUST.

Note 3: Capital Assets

An analysis of the changes in capital assets for the year ended December 31, 2021, follows:

<u>Governmental Type Activities:</u>	<u>Balance 1/1/2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2021</u>
<u>Capital assets not being depreciated:</u>				
Construction in progress	\$ 2,790,776	\$ -	\$ -	\$ 2,790,776
Total capital assets not being depreciated	<u>2,790,776</u>	<u>-</u>	<u>-</u>	<u>2,790,776</u>
Government type assets, net	<u>\$ 2,790,776</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,790,776</u>

Pursuant to the Service Plan, all public improvements are to be owned and maintained by the Town upon their completion and acceptance by the Town, except for parks and open space tracts, which may be owned and maintained by the District or by a homeowner’s association.

IRON WORKS VILLAGE METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2021

Note 4: Long-term Debt

A description of the long-term obligations as of December 31, 2021, is as follows:

\$3,850,000 Taxable (Convertible to Tax-exempt) General Obligation (Limited Tax Convertible to Unlimited Tax) Refunding Loan Series 2021

On November 19, 2021, the District entered into a Loan Agreement with Great Western Bank (“Lender”) for a \$3,850,000 Taxable (Convertible to Tax-exempt) General Obligation (Limited Tax Convertible to Unlimited Tax) Refunding Loan Series 2021 (“2021 Loan”) for the purposes of refunding the Series 2018A and Series 2018B Bonds at a lower interest rate. The 2021 Loan bears interest initially at the rate of 3.01% until September 16, 2021 when the rate becomes 2.35%. The loan matures on December 1, 2036. The 2021 Loan may be prepaid at its option upon payment of principal, interest and a Prepayment Fee as defined in the agreement. The 2021 Loan is secured by the Required Mill Levy, the portion of the Specific Ownership Tax which is collected as a result of the Required Mill Levy, and any other legally available moneys as determined by the District.

The 2021 Loan was issued to provide resources to purchase securities to be placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the Series 2018A & 2018B Bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net position. The net carrying amount of the old debt exceeded the reacquisition price by \$516,861. This amount is recorded as a deferred outflow and is being amortized over the remaining life of the new debt issued. This advance refunding was undertaken to obtain a more favorable interest rate and resulted in a present value savings of approximately \$1,770,610.

\$3,055,000 General Obligation (Limited Tax Convertible to Unlimited Tax Bonds, Series 2018A and \$534,000 Subordinate General Obligation Limited Tax Bonds, Series 2018B

On November 29, 2018, the District issued \$3,055,000 General Obligation (Limited Tax Convertible to Unlimited Tax Bonds, Series 2018A (“Series 2018A Bonds”) and \$534,000 Subordinate General Obligation Limited Tax Bonds, Series 2018B (“Series 2018B Bonds”), for the purpose of financing paying or reimbursing public improvements and paying the cost of issuance of the Bonds, and, with respect to the Series 2018A Bonds only, funding a reserve fund and funding capitalized interest. The Series 2018A Bonds bore interest at the rate of 5.875%, payable semiannually on each June 1 and December 1, commencing on June 1, 2019. The Series 2018B Bonds bore interest at the rate of 8.0%, payable annually on December 15, commencing on December 15, 2019, to the extent that Subordinate Pledged Revenue is available. The Series 2018A Bonds were subject to a mandatory sinking fund redemption commencing on December 1, 2022 and were subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$1,000, in any order of maturity and in whole or partial maturities, commencing on December 1, 2023, upon payment of par, accrued interest, and a redemption premium that ranges between 0% and 3%.

IRON WORKS VILLAGE METROPOLITAN DISTRICT

Notes to Financial Statements
December 31, 2021

The Series 2018A Bonds were secured by the Senior Required Mill Levy, the portion of the Specific Ownership Tax which was collected as a result of the Senior Required Mill Levy, and any other legally available moneys as determined by the District. The Series 2018A Bonds were also secured by the Senior Reserve Fund. The Series 2018B Bonds were secured by the Subordinate Required Mill Levy, the portion of the Specific Ownership Tax which was collected as a result of the Subordinate Required Mill Levy, the amount in the Senior Surplus Fund after the termination of such fund pursuant to the Senior Indenture, and any other legally available moneys as determined by the District. During 2021, the Series 2018A Bonds and the 2018B Bonds were fully refunded with the issuance of the Series 2021 Loan.

The following is an analysis of changes in long-term debt for the year ending December 31, 2021:

	Balance 1/1/2021	Additions	Deletions	Balance 12/31/2021	Current Portion
General Obligation Debt					
Series 2018A Bonds	\$3,055,000	\$ -	\$3,055,000	\$ -	\$ -
Series 2018B Bonds	534,000	-	534,000	-	-
Series 2021 Loan	-	3,850,000	-	3,850,000	65,000
Other					
Developer advance	157,627	46,575	-	204,202	-
Developer advance interest	14,306	15,989	-	30,295	-
Total	<u>\$3,760,933</u>	<u>\$ 3,912,564</u>	<u>\$3,589,000</u>	<u>\$ 4,084,497</u>	<u>\$ 65,000</u>

The following is a summary of the annual long-term debt principal and interest requirements for the Series 2021 Loan.

	Principal	Interest	Total
2022	\$ 65,000	\$ 119,748	\$ 184,748
2023	70,000	109,961	179,961
2024	85,000	92,875	177,875
2025	90,000	90,750	180,750
2026	95,000	88,500	183,500
2027-2031	540,000	405,125	945,125
2032-2036	2,905,000	330,625	3,235,625
	<u>\$ 3,850,000</u>	<u>\$ 1,237,584</u>	<u>\$ 5,087,584</u>

IRON WORKS VILLAGE METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2021

Debt Authorization

A majority of the qualified electors of the District authorized the issuance of indebtedness in the amount not to exceed \$52,000,000. Pursuant to the Service Plan, the District is permitted to issue bond indebtedness of up to \$4,500,000. As of December 31, 2021, the District had \$911,000 remaining authority under the Service Plan.

Note 5: Other Agreements

Funding and Acquisition and Reimbursement Agreement (Capital)

On March 16, 2017, the District entered into a Funding and Acquisition and Reimbursement Agreement (Capital) with Iron Works Village, LLC, a Colorado limited liability company (the “Developer”) (the “Reimbursement Agreement”). The Reimbursement Agreement states that the Developer has made certain advances to the District for Capital costs and other costs prior to entering into the Reimbursement Agreement. In the Reimbursement Agreement, the District agrees to reimburse the Developer for these advances plus interest at the rate of 8% per annum. The District’s obligation to make reimbursement payments is subject to annual appropriations of the Board from funds available within any fiscal year and not otherwise required for operations, capital improvements, or debt service costs. There were no amounts outstanding under this agreement at December 31, 2021

Funding and Acquisition and Reimbursement Agreement (Operations)

On March 16, 2017, the District entered into a Funding and Acquisition and Reimbursement Agreement (Operations) with the Developer (the “Operations Reimbursement Agreement”). The Developer agreed to advance funds not to exceed \$65,000 for operating, maintenance and general administrative costs. The District agreed that it will, from available sources, reimburse the Developer for all Operating Advances together with simple interest at a rate of 8% per annum. At December 31, 2021 the total outstanding was \$234,497 including principal of \$204,202 and accrued interest of \$30,295.

Cooperation Agreement

On April 12, 2017, the Englewood Urban Renewal Authority (“EURA”) and the District entered into a Cooperation Agreement, whereby EURA agreed to pass through to the District all of the revenue representing tax increment derived from the imposition of the District’s mill levy through October 2025.

Note 6: Tax, Spending and Debt Limitations

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer Bill of Rights (“TABOR”), contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

IRON WORKS VILLAGE METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2021

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

On November 8, 2016, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District without regard to any limitations under Article X, Section 20 of the Colorado Constitution.

Note 7: Risk Management

Except as provided in the Colorado Governmental Immunity Act, 24-10-101, et seq., CRS, the District may be exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets; errors or omissions; injuries to agents; and natural disasters. The District has elected to participate in the Colorado Special Districts Property and Liability Pool ("Pool") which is an organization created by intergovernmental agreement to provide common liability and casualty insurance coverage to its members at a cost that is considered economically appropriate. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for auto, public officials' liability, and property and general liability coverage. In the event aggregated losses incurred by the Pool exceed its amounts recoverable from reinsurance contracts and its accumulated reserves, the District may be called upon to make additional contributions to the Pool on the basis proportionate to other 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.

IRON WORKS VILLAGE METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2021

Note 8: Reconciliation of Government-Wide Financial Statements and Fund Financial Statements

The Government Funds Balance Sheet/Statement of Net Position includes an adjustments column. The adjustments have the following elements:

- 1) Capital improvements used in government activities are not financial resources and, therefore are not reported in the funds; and,
- 2) long-term liabilities such as bonds payable, developer advances payable and accrued interest on bonds and developer advances are not due and payable in the current period and, therefore, are not in the funds.
- 3) deferred loss on refunding is not a financial resource, and therefore not reported in the funds.

The Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities includes an adjustments column. The adjustments have the following elements:

- 1) Governmental funds report capital outlays as expenditures; however, in the statement of activities, the costs of those assets are held as construction in progress pending transfer to other governmental entities or depreciated over their useful lives;
- 2) governmental funds report interest expense on the modified accrual basis; however, interest expense is reported on the full accrual method in the statement of activities; and,
- 3) governmental funds report developer advances and/or bond proceeds as revenue and report interest as expenditures; however, these are reported as changes to long-term liabilities on the government-wide financial statements.

SUPPLEMENTAL INFORMATION

Iron Works Village Metropolitan District

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - DEBT SERVICE FUND

For the Year Ended December 31, 2021

	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
REVENUES				
Property taxes	\$ 159,111	\$ 159,111	\$ 158,933	\$ (178)
EURA pass through	23,135	23,135	90,999	67,864
Specific ownership taxes	12,782	12,782	12,560	(222)
Interest income	<u>2,000</u>	<u>2,000</u>	<u>440</u>	<u>(1,560)</u>
Total Revenues	<u>197,028</u>	<u>197,028</u>	<u>262,932</u>	<u>65,904</u>
EXPENDITURES				
Bond interest expense	179,481	90,000	89,741	259
Loan issuance costs	-	180,000	177,067	2,933
Trustee fees	7,500	-	-	-
Treasurer's fees	2,387	2,387	2,385	2
Treasurer's fees TIF	<u>347</u>	<u>347</u>	<u>1,112</u>	<u>(765)</u>
Total Expenditures	<u>189,715</u>	<u>272,734</u>	<u>270,305</u>	<u>2,429</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	7,313	(75,706)	(7,373)	68,333
OTHER FINANCING SOURCES (USES)				
Loan proceeds	-	3,890,000	3,850,000	(40,000)
Payment to refunding agent	-	(4,338,641)	(4,329,397)	9,244
Transfers (to)/from other funds	<u>-</u>	<u>-</u>	<u>7,735</u>	<u>7,735</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(448,641)</u>	<u>(471,662)</u>	<u>(23,021)</u>
NET CHANGE IN FUND BALANCE				
	7,313	(524,347)	(479,035)	45,312
FUND BALANCE:				
BEGINNING OF YEAR	<u>535,140</u>	<u>535,140</u>	<u>486,770</u>	<u>(48,370)</u>
END OF YEAR	<u>\$ 542,453</u>	<u>\$ 10,793</u>	<u>\$ 7,735</u>	<u>\$ (3,058)</u>

The notes to the financial statements are an integral part of these statements.

Iron Works Village Metropolitan District

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CAPITAL PROJECTS FUND

For the Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
Interest income	\$ 1,000	\$ 1,000	\$ 2	\$ (998)
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>2</u>	<u>(998)</u>
EXPENDITURES				
Miscellaneous expenses	<u>-</u>	<u>-</u>	<u>6</u>	<u>(6)</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>6</u>	<u>(6)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,000	1,000	(4)	(1,004)
OTHER FINANCING SOURCES (USES)				
Transfers (to)/from other funds	<u>-</u>	<u>(10,000)</u>	<u>(7,735)</u>	<u>2,265</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(10,000)</u>	<u>(7,735)</u>	<u>2,265</u>
NET CHANGE IN FUND BALANCE	1,000	(9,000)	(7,739)	1,261
FUND BALANCE:				
BEGINNING OF YEAR	<u>-</u>	<u>9,000</u>	<u>7,739</u>	<u>(1,261)</u>
END OF YEAR	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of these statements.

Iron Works Village Metropolitan District

SUMMARY OF ASSESSED VALUATION, MILL LEVY
AND PROPERTY TAXES COLLECTED
December 31, 2021

<u>Collection year</u>	<u>Assessed Value</u>			<u>Mills Levied</u>		<u>Total Property Tax</u>		<u>Percent Collected to Levied</u>
	<u>Net Assessed Value</u>	<u>Tax Increment Valuation</u>	<u>Gross Valuation</u>	<u>General Fund</u>	<u>Debt Service</u>	<u>Levied</u>	<u>Collected</u>	
2018	\$ 1,297,237	\$ 201,421	\$ 1,498,658	10.000	50.000	\$ 77,834	\$ 77,834	100.00%
2019	\$ 653,491	\$ 101,056	\$ 754,547	10.000	55.277	\$ 42,658	\$ 42,657	100.00%
2020	\$ 1,739,622	\$ 350,005	\$ 2,089,627	10.000	55.277	\$ 113,557	\$ 187,485	165.10%
2021	\$ 2,858,427	\$ 415,614	\$ 3,274,041	10.000	55.664	\$ 187,696	\$ 187,485	99.89%
Estimated for year ending December 31, 2022	\$ 3,155,550	\$ 1,103,048	\$ 4,258,598	14.000	43.000	\$ 179,866		

NOTE

Property taxes collected in any one year include collection of delinquent property taxes levied and/or abatements or valuations in prior years. Information received from the County Treasurer does not permit identification of specific year assessment.