



ICENOGLE SEAVER POGUE

June 27, 2025

Board of County Commissioners
Douglas County
100 Third Street
Castle Rock, CO 80104
(Via E-Mail: bocc@douglas.co.us)

State of Colorado
Office of the State Auditor
1525 Sherman St., 7th Floor
Denver, CO 80203
(Via E-Filing)

Division of Local Government
1313 Sherman Street, Room 521
Denver, CO 80203
(Via E-Filing)

Douglas County Clerk & Recorder
301 Wilcox Street
Castle Rock, CO 80104
(Via E-Mail: clerk@douglas.co.us)

Re: Highfield Metropolitan District - Filing of 2025 Annual Report

Dear Sir or Madam:

Enclosed for your information and records is a copy of the 2025 Annual Report for Highfield Metropolitan District.

Should you have any questions regarding the enclosed, please do not hesitate to contact our office. Thank you.

Sincerely,

ICENOGLE SEAVER POGUE
A Professional Corporation

Alexandra L. Mejia

Alexandra L. Mejia

/ALM
Enclosure

HIGHFIELD METROPOLITAN DISTRICT
2025 ANNUAL REPORT

The Highfield Metropolitan District (the “District”) hereby submits this annual report¹, as required pursuant to Section VII of the Service Plan of the District approved by Douglas County (the “County”). Additionally, pursuant to Section 32-1-207(3)(c), C.R.S., the District is required to submit an annual report for the preceding calendar year to the County, the Division of Local Government, the state auditor, and the Douglas County Clerk and Recorder. The District hereby submits this annual report to satisfy the above reporting requirements for the year 2024.

The District makes the following report pursuant to Section VII of the District’s Service Plan:

I. District Description - General Information.

a. Board members, officers’ titles, and terms.

<u>Board Member</u>	<u>Office</u>	<u>Term Ending</u>
Thomas Bradbury Jr.	President	May 2029
Stephanie Stewart	Secretary	May 2029
Hugh Smith	Treasurer	May 2027
Michael Stefanski	Assistant Secretary	May 2027
VACANT		May 2029

b. Changes in board membership in past year.

The District held an election on May 6, 2025 (the “Election”). At the Election, Directors Thomas Bradbury Jr. and Stephanie Stewart were reelected by acclamation to the Board. There remains one vacancy on the District’s Board of Directors.

c. Name and address for official District contact.

Hugh Smith
Bradbury Properties
5050 S. Syracuse St., Ste. 785
Denver, CO 80237
(303) 246-5314

d. Elections past year and their purpose.

An election for director terms ending in 2025 was held on May 6, 2025.

II. Boundary changes for the report year and proposed changes for the coming year.

¹ For activities completed June 1, 2024 through June 1, 2025, and with information about prospective years.

No boundary changes occurred in the report year. No boundary changes are proposed for the coming year at this time.

III. List of intergovernmental agreements (existing or proposed) and a brief description of each detailing the financial and service arrangements.

1. List of intergovernmental agreements

a. Intergovernmental Agreement for the Colorado Special Districts Property and Liability Pool

Contracting Parties: Highfield Metropolitan District
Members of the Colorado Special Districts Property and Liability Pool

Execution Date: January 27, 2011

Subject Matter: Intergovernmental agreement to participate in self-insurance pool for property, liability, and/or workers' compensation coverages

Expiration Date: Upon termination of coverage

2. Contracts for operations, debt, and other contractual obligations with sub-districts or operating and taxing districts.

None.

3. Reimbursement agreements with developers and/or builders for advances to fund capital costs and administrative/operational and maintenance costs of the District.

Advance and Reimbursement and Facilities Acquisition Agreement between the Highfield Metropolitan District and Highfield Business Park, LLC, dated January 21, 2008, as amended by that certain Outstanding Advance & Reimbursement Obligation Form Number One and First Amendment to Advance and Reimbursement Agreement dated as of December 11, 2014, and that certain Outstanding Advance & Reimbursement Obligation Form Number Two and Second Amendment to Advance and Reimbursement Agreement dated as of July 23, 2019. As of December 31, 2024, no amounts were owed under this agreement.

IV. Service Plan.

a. List and description of services authorized in Service Plan.

Street and Roadway Improvements - power and authority to finance, design, construct, acquire, install, operate, maintain and provide for arterial and collector streets and roadway improvements, with all necessary and incidental and appurtenant facilities, land and easements, together with extensions and improvements thereto.

Traffic and Safety Control - power and authority to finance, design, construct, acquire, install, operate, maintain and provide for traffic and safety services and facilities through traffic control devices and safety controls on streets, as well as such other facilities and improvements as are necessary or prudent, with all necessary and incidental and appurtenant facilities, and land and easements, together with extensions and improvements thereto.

Parks and Recreation – power and authority to finance, design, construct, acquire, install, operate, maintain and provide for public park and public recreation centers and other recreation facilities, services or programs, with all necessary and incidental and appurtenant facilities, land and easements, together with extensions and improvements thereto.

Water – power and authority to design, finance, construct, acquire, install, operate, maintain and provide for potable water and irrigation water facilities and systems, including, but not limited to, water rights, water supply, treatment, storage, transmission and distribution systems for domestic, irrigation and other public or private purposes, together with all necessary and proper reservoirs, treatment facilities, wells, water rights, equipment and appurtenances incident thereto, with all necessary and incidental and appurtenant facilities, land and easements, together with extensions and improvements thereto.

Sanitation and Wastewater Treatment – power and authority to finance, design, construct, acquire, install, operate, maintain, assess tap or other facilities fees, and provide for sanitary sewers and to transport wastewater to ACWWA's wastewater treatment facility.

Drainage – power and authority to finance, design, construct, acquire, install, operate, maintain, and provide for flood and surface drainage improvements and all necessary and proper equipment and appurtenances incident thereto with all necessary and incidental and appurtenant facilities, land and easements, together with extensions and improvements thereto.

Television Relay and Translation - power and authority to design, finance, construct, acquire, install, operate, maintain and provide for television relay and translator facilities, with all necessary and incidental and appurtenant facilities, land and easements, together with extensions and improvements thereto.

Mosquito Control - power and authority to design, finance, construct, acquire, install, operate, maintain, and provide for systems and methods for elimination and control of mosquitoes.

b. List and description of facilities authorized in Service Plan.

See list in Section IV(a) above.

c. List and description of any extraterritorial services, facilities, and agreements.

Regional Sanitary Sewer Interceptor Line for ACWWA Service and Chambers/E-470 Interchange-Cost Recovery Payment as more fully described in Section V(C)(2)(a) and (c) of the District's Service Plan.

V. Development Progress.

a. Indicate the estimated year of build-out, as set forth in the Service Plan.

The estimated year of build out in the Service Plan was 2018.

b. List the services provided with the date service began compared to the date authorized by the Service Plan.

The District is providing maintenance and repair services for stormwater improvements on Tract B and for a retaining wall and signage located on Lot 13-A, Highfield Business Park, pursuant to that certain Maintenance Easement Agreement (Lot 13-A) dated March 1, 2016 by and between the District and Highfield Building 3, LLC.

c. List changes made to the Service Plan, including when the change was authorized, when it was implemented or is expected to be implemented.

No changes have been made to the Service Plan.

d. List facilities to be acquired or constructed or leased back as set forth in the Service Plan and compare the date of completion or operation with the date authorized by the Service Plan.

On November 16, 2010, the District acquired the detention facility located on Tract A, Highfield Business Park, Douglas County, Colorado, and associated storm water improvements. The Tract A detention facilities were conveyed to Southeast Metro Stormwater Authority on or about November 28, 2012. On February 22, 2016, the District acquired Tract B, Highfield Business Park, 6th Amendment, Douglas County, Colorado, and the detention facilities located thereon. On or about June 15, 2021, the District completed the widening of Compark Boulevard and related

facilities, for which the District received final acceptance from the County on October 5, 2023.

- e. List facilities not completed. Indicate the reason for incompleteness and provide a revised schedule, if any.**

All facilities have been completed.

- f. List facilities currently under construction with the percentage complete and an anticipated date of completion.**

There are currently no facilities under construction.

- g. Indicate the population of the District for the previous five (5) years and provide population projections for the next five (5) years.**

There are no residences within the District and there is currently no population in the District. There has not been any population within the District in the past five years. The District contains only commercial development so there are no population projections available for the next five years.

- h. List the planned number of housing units by type and the number of commercial and industrial properties with respective square footage and anticipated dates of completion/operation. Compare the completed units and completed commercial and industrial properties to the amount planned in the Service Plan.**

Prior to June 1, 2013, Gordon Holdings completed construction of a 114,475 square foot office/industrial warehouse within the District boundaries. Prior to June 1, 2015, Applied Controls completed construction of 63,891 square feet of office/warehouse space, and Highfield Building 3, LLC completed construction of a 98,875 square foot office/warehouse space which is now owned by BC Wyatts Torch, LLC. Garvin Grounds, LLC completed 39,877 square feet of office/industrial warehouse. After June 1, 2016, Highfield Building 5, LLC completed a 101,000 square foot office/industrial warehouse building. After June 1, 2017, Highfield Building 6, LLC completed a 92,000 SF distribution warehouse building. Additionally, after June 1, 2017, Highfield Building 7, LLC completed a 115,500 SF building (primarily data center use). On May 15, 2020, construction was completed on a 202,000 square foot office/industrial warehouse which is now used by FedEx. On July 17, 2020, a 160,000 square foot building located at 8452 Highfield Parkway and a 132,000 square foot building located at 8450 Highfield Parkway were completed within the District boundaries.

- i. List any enterprises created by and/or operated by or on behalf of the District, and summarize the purpose of each.**

None.

VI. Financial Plan and Financial Activities.

a. Provide a copy of the audit or exemption from the audit for the reporting year.

. A copy of the District's 2024 audited financial statements filed with the Office of the State Auditor is attached hereto as **Exhibit A**.

b. Provide a copy of the budget, showing the reporting and previous years.

A copy of the District's 2025 Budget, adopted by the Board of Directors of the District on November 13, 2024, is available on the District's website at the following link:

<https://highfieldmetro.specialdistrict.org/files/e04401688/2024-11-13+2025+Budget+Resolution+Highfiled+MD+%28SIGNED%26FILED%29.pdf>.

c. Show revenues and expenditures of the District for the previous five (5) years and provide projections for the next five (5) years. Include any non-District or non-governmental financial support. Include and list individually all fees, rates, tolls, etc., with a summary of the purpose of each. Show other miscellaneous tax revenue, such as specific ownership taxes. For the same period, show actual and projected mill levies by purpose (showing mill levies for each individual general obligation, revenue-based obligation, or contractual obligation).

Please see the previously submitted budgets for 2020, 2021, 2021 (amended), 2022, 2023 and 2024, for information regarding revenues, expenditures, fees, tolls, mill levies, etc., of the District for the previous five years, and the 2025 budget included herewith. Please see the 2025 budget for revenues and expenditures expected in 2025, including the anticipated miscellaneous tax revenue. The District does not currently impose any fees, rates, or tolls. Besides the 2025 Budget, submitted in response to Section VI(b), no other projections are available for revenues and expenditures of the District for the next five years.

In 2020, 2021 and 2022, the District certified a mill levy of 10.000 mills for general operating expenses and 15.000 mills for general obligation bonds and interest. In 2023, the District certified a mill levy of 6.000 mills for general operating expenses and 15.000 mills for general obligation bonds and interest. In 2024, the District certified a mill levy of 3.000 mills for general operating expenses and 12.000 mills for general obligation bonds and interest. In 2025, the District certified a mill levy of 2.000 mills for general operating expenses and 12.000 mills for general obligation bonds and interest. The Service Plan contemplated that the District would certify for general obligation bonds and interest a mill levy of 12.57 mills in 2020, 12.61 mills in 2021, 12.56 mills in 2022, 12.63 in 2023, 12.62 in 2024 and

12.61 mills in 2025. The Service Plan contemplated that the District would certify for general operating expenses a mill levy of 3.87 mills in 2020, 3.79 mills in 2021, 3.83 mills in 2022, 3.76 mills in 2023, 3.79 mills in 2024 and 3.72 mills in 2025.

d. List all debt that has been issued, including all individual issuances with a schedule of service until the debt is retired.

Principal Amount At Issuance: \$5,785,000
Principal Amount Outstanding: \$4,190,000
Highfield Metropolitan District
General Obligation Refunding Loan 2021

Please see the enclosed 2025 budget for the Schedule of Debt Service Requirements to Maturity. The proceeds of the General Obligation Refunding Loan 2021 were used to refund the District's Limited Tax General Obligation Loan 2014 originally issued in the amount of \$4,250,000 and the District's Limited Tax General Obligation Loan 2019 originally issued in the amount of \$2,262,382, both of which are no longer outstanding.

e. List individually all authorized but unissued debt, including the purpose, ballot issue letter designation and election date, and amounts authorized and unissued.

Ballot Issue C:

Purpose – Reimbursing, Financing or Refinancing District's Operating Costs and Debt
Election Date – November 6, 2007
Amount of Authorized and yet Unissued Debt – \$14,000,000

Ballot Issue D:

Purpose – Storm Sewer and Drainage System
Election Date – November 6, 2007
Amount of Authorized and yet Unissued Debt – \$15,000,000

Ballot Issue E:

Purpose – Potable and Non-Potable Water Systems
Election Date – November 6, 2007
Amount of Authorized and yet Unissued Debt – \$13,558,331

Ballot Issue F:

Purpose – Sanitation System
Election Date – November 6, 2007
Amount of Authorized and yet Unissued Debt – \$13,969,386

Ballot Issue G:

Purpose – Street Improvements
Election Date – November 6, 2007
Amount of Authorized and yet Unissued Debt – \$11,959,902

Ballot Issue H:

Purpose – Television Relay and Translation System
Election Date – November 6, 2007
Amount of Authorized and yet Unissued Debt – \$15,000,000

Ballot Issue I:

Purpose – Traffic Safety and Protection System
Election Date – November 6, 2007
Amount of Authorized and yet Unissued Debt – \$15,000,000

Ballot Issue J:

Purpose – Parks and Recreation Facilities
Election Date – November 6, 2007
Amount of Authorized and yet Unissued Debt – \$15,000,000

Ballot Issue K:

Purpose – Public Transportation System
Election Date – November 6, 2007
Amount of Authorized and yet Unissued Debt – \$15,000,000

Ballot Issue L:

Purpose – Mosquito and Pest Control
Election Date – November 6, 2007
Amount of Authorized and yet Unissued Debt – \$15,000,000

Ballot Issue M:

Purpose – Multi-Fiscal Year Intergovernmental Agreements, Contracts or Leases for Refunding, Refinancing, or Defeasing District Debt or Obligations
Election Date – November 6, 2007
Amount of Authorized and yet Unissued Debt – \$9,215,000

Ballot Issue N:

Purpose – Multi-Fiscal Year Intergovernmental Agreements for Public Improvements
Election Date – November 6, 2007
Amount of Authorized and yet Unissued Debt – \$15,000,000

- f. List the total amount of debt issued and outstanding as of the date of the Annual Report and compare to the maximum authorized debt level as set forth in the Service Plan.**

\$5,785,000
Highfield Metropolitan District
General Obligation Refunding Loan 2021

Amount currently outstanding: \$4,190,000

Pursuant to the Service Plan, the District may issue up to \$15,000,000 in debt.

g. Enterprises of the District.

- i. Include revenues of the enterprise, showing both direct support from the District and all other sources.**

There are currently no enterprises of the District.

- ii. Include expenses of the enterprise, showing both direct payments to the District and all other obligations.**

There are currently no enterprises of the District.

h. Detail Contractual Obligations.

See Section III above.

- i. Describe the type of obligation, current year dollar amount, and any changes in the payment schedule, e.g. balloon payments.**

In 2025, the District will make interest payments in the amount of \$94,275 and will make a principal payment in the amount of \$560,000 for the General Obligation Refunding Loan 2021 described herein. The District has routine payments due for the loan as described in the loan documents and as indicated in the 2025 budget submitted herewith.

- ii. Report any inability of the District to pay current obligations that are due within the current budget year.**

The District has not had any inability to pay current obligations that are due in the current budget year.

- iii. Describe any District financial obligations in default.**

The District currently has no financial obligations in default.

i. Actual and Assessed Valuation History.

i. Report the assessed valuation for the current year and for each of seven (7) years prior to current year.

The assessed valuation for the District for 2017 was \$13,944,130.

The assessed valuation for the District for 2018 was \$15,564,410.

The assessed valuation for the District for 2019 was \$29,536,630.

The assessed valuation for the District for 2020 was \$34,140,200.

The assessed valuation for the District for 2021 was \$43,432,350.

The assessed valuation for the District for 2022 was \$42,702,000.

The assessed valuation for the District for 2023 was \$54,370,460.

The assessed valuation for the District for 2024 was \$56,484,010.

ii. For each year, compare the certified assessed value with the Service Plan estimate for that year. If Service Plan estimates are not available, indicate the same and report the certified value.

The estimated assessed valuation set forth in the Service Plan for the District in 2017 was \$44,711,478.

The estimated assessed valuation set forth in the Service Plan for the District in 2018 was \$48,626,478.

The estimated assessed valuation set forth in the Service Plan for the District in 2019 was \$51,716,522.

The estimated assessed valuation set forth in the Service Plan for the District in 2020 was \$51,716,522.

The estimated assessed valuation set forth in the Service Plan for the District in 2021 was \$58,016,768.

The estimated assessed valuation set forth in the Service Plan for the District in 2022 was \$58,016,768.

The estimated assessed valuation set forth in the Service Plan for the District in 2023 was \$59,757,271.

The estimated assessed valuation set forth in the Service Plan for the District in 2024 was \$59,757,271.

The estimated assessed valuation set forth in the Service Plan for the District in 2025 was \$61,729,642.

j. Mill Levy History.

i. Report the annual mill levy for the current year and for each of the seven (7) years prior to current year. Break the mill levies out by purpose (e.g., debt issuance and operations and maintenance).

A mill levy of 5 mills for general operating expenses and 20 mills for general obligation bonds and interest were levied for 2018.

A mill levy of 5 mills for general operating expenses and 20 mills for general obligation bonds and interest were levied for 2019.

A mill levy of 10 mills for general operating expenses and 15 mills for general obligation bonds and interest were levied for 2020.

A mill levy of 10 mills for general operating expenses and 15 mills for general obligation bonds and interest were levied for 2021.

A mill levy of 10 mills for general operating expenses and 15 mills for general obligation bonds and interest were levied for 2022.

A mill levy of 6 mills for general operating expenses and 15 mills for general obligation bonds and interest were levied for 2023.

A mill levy of 3 mills for general operating expenses and 12 mills for general obligation bonds and interest were levied for 2024.

A mill levy of 2 mills for general operating expenses and 12 mills for general obligation bonds and interest were levied for 2025.

ii. For each year, compare the actual mill levy with the Service Plan estimate for that year. If Service Plan estimates are not available, indicate the same and report the actual mill levies.

The Service Plan contemplates that the initial debt service mill levy will be 25 mills. The maximum total mill levy shall not exceed 50 mills. At no time will the debt service and operational levies, in combination, exceed the maximum total mill levy.

A mill levy of 5 mills for general operating expenses and a of 28.49 for general obligation bonds and interest were projected to be levied in 2018.

A mill levy of 4.84 mills for general operating expenses and 14.62 mills for general obligation bonds and interest were projected be levied in 2019.

A mill levy of 4.49 mills for general operating expenses and 14.60 mills for general obligation bonds and interest were projected be levied in 2020.

A mill levy of 4.27 mills for general operating expenses and 14.18 mills for general obligation bonds and interest were projected to be levied in 2021.

A mill levy of 4.31 mills for general operating expenses and 14.14 mills for general obligation bonds and interest were projected to be levied in 2022.

A mill levy of 3.88 mills for general operating expenses and 13.04 for general obligation bonds and interest were projected to be levied in 2023.

A mill levy of 3.92 mills for general operating expenses and 13.03 mills for general obligation bonds and interest were projected to be levied in 2024.

A mill levy of 3.84 mills for general operating expenses and 13.03 mills for general obligation bonds and interest were projected to be levied in 2025.

Please see Section VI.j.i above for the actual mill levies that were imposed each year.

k. Miscellaneous Taxes History.

i. Report the annual miscellaneous tax revenue for the current year and for each of the seven (7) years prior to the current year. Break the tax revenue out by purpose (e.g., general operations, revenue-based obligations, debt by issue, contractual obligations, other).

The miscellaneous tax revenue budgeted for the District for 2018 was:

- General Operations:
 - Property Tax: \$69,721
 - Specific Ownership Tax: \$6,972
- Debt Service on Taxable General Obligation Loan, Series 2014:
 - Property Tax: \$278,883
 - Specific Ownership Tax: \$27,888

The miscellaneous tax revenue budgeted for the District for 2019 was:

- General Operations:
 - Property Tax: \$77,822
 - Specific Ownership Tax: \$7,782
- Debt Service on Taxable General Obligation Loan, Series 2014:
 - Property Tax: \$311,288
 - Specific Ownership Tax: \$31,129

The miscellaneous tax revenue budgeted for the District for 2020 was:

- General Operations:
 - Property Tax: \$295,366
 - Specific Ownership Tax: \$26,583
- Debt Service on Taxable General Obligation Loan, Series 2014 and Series 2019:
 - Property Tax: \$443,049
 - Specific Ownership Tax: \$39,875

The miscellaneous tax revenue budgeted for the District for 2021 was:

- General Operations:
 - Property Tax: \$341,402
 - Specific Ownership Tax: \$27,312
- Debt Service on Taxable General Obligation Loan, Series 2014 and Series 2019:
 - Property Tax: \$512,103
 - Specific Ownership Tax: \$40,968

The miscellaneous tax revenue budgeted for the District for 2022 was:

- General Operations:
 - Property Tax: \$434,324
 - Specific Ownership Tax: \$34,746
- Debt Service on General Obligation Refunding Loan, Series 2021:
 - Property Tax: \$651,485
 - Specific Ownership Tax: \$52,119

The miscellaneous tax revenue budgeted for the District for 2023 was:

- General Operations:
 - Property Tax: \$256,212
 - Specific Ownership Tax: \$23,059
- Debt Service on General Obligation Refunding Loan, Series 2021:
 - Property Tax: \$640,530
 - Specific Ownership Tax: \$57,648

The miscellaneous tax revenue budgeted for the District for 2024 was:

- General Operations:
 - Property Tax: \$163,111
 - Specific Ownership Tax: \$14,680
- Debt Service on General Obligation Refunding Loan, Series 2021:
 - Property Tax: \$652,446
 - Specific Ownership Tax: \$58,720

The miscellaneous tax revenue budgeted for the District for 2025 is:

- General Operations:
 - Property Tax: \$112,968

- Specific Ownership Tax: \$10,167
- Debt Service on General Obligation Refunding Loan, Series 2021:
 - Property Tax: \$677,808
 - Specific Ownership Tax: \$61,003

ii. For each year, compare the actual miscellaneous tax revenue with the Service Plan estimate for that year (if provided in Plan). If the Service Plan estimates are not available, indicate the same and report the actual taxes.

The specific ownership tax projected in the Service Plan in 2018 for debt was \$85,085. The specific ownership tax projected in the Service Plan in 2018 for operations was \$14,931.

The specific ownership tax projected in the Service Plan for 2019 for debt was \$50,737. The specific ownership tax projected in the Service Plan in 2019 for operations was \$16,790.

The specific ownership tax projected in the Service Plan for 2020 for debt was \$55,089. The specific ownership tax projected in the Service Plan in 2020 for operations was \$16,958.

The specific ownership tax projected in the Service Plan for 2021 for debt was \$56,917. The specific ownership tax projected in the Service Plan in 2020 for operations was \$17,128.

The specific ownership tax projected in the Service Plan for 2022 for debt was \$56,732. The specific ownership tax projected in the Service Plan in 2022 for operations was \$17,299.

The specific ownership tax projected in the Service Plan for 2023 for debt was \$58,723. The specific ownership tax projected in the Service Plan in 2023 for operations was \$17,472.

The specific ownership tax projected in the Service Plan for 2024 for debt was \$58,677. The specific ownership tax projected in the Service Plan in 2024 for operations was \$17,647.

The specific ownership tax projected in the Service Plan for 2025 for debt was \$60,413. The specific ownership tax projected in the Service Plan in 2025 for operations was \$17,823.

Please see Section VI.k.i for the actual miscellaneous tax revenue collected each year by the District.

l. Estimated Assessed Valuation of District at 100% Build-Out.

i. Provide an updated estimate and compare this with the Service Plan estimate.

The estimated assessed valuation of the District at 100% build-out as set forth in the Service Plan is \$52,286,275. No updated estimate is available at this time.

m. Estimated Amount of Additional General Obligation Debt to be Issued by the District between the End of Current Year and 100% Build-Out.

Please see response above in Section VI(e) regarding District authorized and unissued debt.

i. Provide an updated estimate based on current events. Do not include refunding bonds.

No additional debt is anticipated to be issued by the District at this time.

For the year ending December 31, 2024, the District makes the following report pursuant to Section 32-1-207(3)(c), C.R.S.:

(A) Boundary changes made.

The District had no boundary changes in 2024.

(B) Intergovernmental agreements entered into or terminated with other governmental entities.

Please see Section III(1) above for a list of intergovernmental agreements entered into with other governmental entities by the District. The Public Improvements Agreement with the Board of County Commissioners of the County of Douglas dated July 11, 2019 was terminated upon final acceptance of improvements.

(C) Access information to obtain a copy of rules and regulations adopted by the board.

For information concerning rules and regulations adopted by the District please contact the District's official contact:

Hugh Smith
Bradbury Properties
5050 S. Syracuse St., Ste. 785
Denver, CO 80237
(303) 708-1105

(D) A summary of litigation involving public improvements owned by the special district.

The District's General Counsel is not aware of any litigation concerning the Public Improvements as of December 31, 2024.

(E) The status of the construction of public improvements by the special district.

The construction of public improvements by the District has been completed.

(F) A list of facilities or improvements constructed by the special district that were conveyed or dedicated to the county or municipality.

In 2024, no facilities or improvements constructed by the District were conveyed or dedicated to the County.

(G) The final assessed valuation of the special district as of December 31 of the reporting year.

The final assessed valuation of the District in 2025 was \$56,484,010.

(H) A copy of the current year's budget.

A copy of the District's 2025 Budget, adopted by the Board of Directors of the District on November 13, 2024, is available on the District's website at the following link:

<https://highfieldmetro.specialdistrict.org/files/e04401688/2024-11-13+2025+Budget+Resolution+Highfiled+MD+%28SIGNED%26FILED%29.pdf>.

(I) 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 District's 2024 audited financial statements filed with the Office of the State Auditor is attached hereto as **Exhibit A**.

(J) Notice of any uncured defaults existing for more than ninety days under any debt instrument of the special district.

As of December 31, 2024, the District did not receive any notices of uncured defaults existing for more than ninety (90) days under any debt instrument.

(K) Any inability of the special district to pay its obligations as they come due under any obligation which continues beyond a ninety-day period.

As of December 31, 2024, the District did not have any inability to pay their obligations as they come due under any obligation which continued beyond a ninety (90) day period.

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Exhibit A

2024 Audit

**HIGHFIELD METROPOLITAN DISTRICT
Douglas County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2024

**HIGHFIELD METROPOLITAN DISTRICT
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Board of Directors
Highfield Metropolitan District
Douglas County, Colorado

Independent Auditor's Report

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Highfield Metropolitan District (the "District"), as of and for the year ended December 31, 2024, 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 Highfield Metropolitan District as of December 31, 2024, 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 Supplementary 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The supplementary 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 financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, such information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Information

Management is responsible for the other information included in our report. The other information, as listed in the table of contents, does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and, accordingly, we do not express an opinion or provide any assurance on them.

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.

The image shows a handwritten signature in black ink that reads "Wipfli LLP". The signature is written in a cursive, flowing style.

Wipfli LLP
Denver, Colorado

June 19, 2025

**HIGHFIELD METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2024**

	Governmental Activities
ASSETS	
Cash and Investments	\$ 867,583
Cash and Investments - Restricted	843,909
Prepaid Insurance	4,041
Due from Other Funds	4,200
Receivable from County Treasurer	5,476
Property Tax Receivable	790,776
Capital Assets:	
Capital Assets Net of Depreciation	240,181
Total Assets	<u>2,756,166</u>
LIABILITIES	
Accounts Payable	6,949
Due to Other Funds	4,200
Accrued Interest	7,856
Noncurrent Liabilities:	
Due Within One Year	560,000
Due in More Than One Year	3,630,000
Total Liabilities	<u>4,209,005</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Property Tax	790,776
Total Deferred Inflows of Resources	<u>790,776</u>
NET POSITION	
Restricted for:	
Emergency Reserve	6,800
Debt Service	504,434
Net Position - Unrestricted	<u>(2,754,849)</u>
Total Net Position	<u>\$ (2,243,615)</u>

See accompanying Notes to Basic Financial Statements.

**HIGHFIELD METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024**

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net Revenues (Expenses) and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government:					
Governmental Activities:					
General Government	\$ 97,654	\$ -	\$ -	\$ -	\$ (97,654)
Interest on Long-Term Debt and Related Costs	107,396	-	-	-	(107,396)
Total Governmental Activities	<u>\$ 205,050</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	(205,050)
GENERAL REVENUES					
Property Taxes					812,686
Specific Ownership Taxes					61,089
Interest Income					91,057
Other Revenue					12,857
Total General Revenues					<u>977,689</u>
CHANGES IN NET POSITION					772,639
Net Position - Beginning of Year					<u>(3,016,254)</u>
NET POSITION - END OF YEAR					<u>\$ (2,243,615)</u>

See accompanying Notes to Basic Financial Statements.

**HIGHFIELD METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2024**

	General	Debt Service	Total Governmental Funds
ASSETS			
Cash and Investments	\$ 867,583	\$ -	\$ 867,583
Cash and Investments - Restricted	6,800	837,109	843,909
Receivable from County Treasurer	1,095	4,381	5,476
Due from Other Funds	4,200	-	4,200
Prepaid Insurance	4,041	-	4,041
Property Tax Receivable	112,968	677,808	790,776
	<u>\$ 996,687</u>	<u>\$ 1,519,298</u>	<u>\$ 2,515,985</u>
Total Assets			
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 6,949	\$ -	\$ 6,949
Due to Other Funds	-	4,200	4,200
Total Liabilities	6,949	4,200	11,149
DEFERRED INFLOWS OF RESOURCES			
Deferred Property Tax	112,968	677,808	790,776
Total Deferred Inflows of Resources	112,968	677,808	790,776
FUND BALANCES			
Nonspendable:			
Prepaid Expense	4,041	-	4,041
Restricted for:			
Emergency Reserves	6,800	-	6,800
Debt Service	-	837,290	837,290
Unassigned	865,929	-	865,929
Total Fund Balances	876,770	837,290	1,714,060
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 996,687</u>	<u>\$ 1,519,298</u>	
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			240,181
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.			
Accrued Interest			(7,856)
Loans Payable			(4,190,000)
Net Position of Governmental Activities			<u>\$ (2,243,615)</u>

See accompanying Notes to Basic Financial Statements.

**HIGHFIELD METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2024**

	General	Debt Service	Total Governmental Funds
REVENUES			
Property Taxes	\$ 162,537	\$ 650,149	\$ 812,686
Specific Ownership Taxes	12,218	48,871	61,089
Interest Income	36,988	54,069	91,057
Other Revenue	12,857	-	12,857
Total Revenues	<u>224,600</u>	<u>753,089</u>	<u>977,689</u>
EXPENDITURES			
Current:			
Accounting	18,517	-	18,517
Auditing	6,500	-	6,500
County Treasurer's Fee	2,470	9,881	12,351
District Management	12,000	-	12,000
Dues and Membership	2,771	-	2,771
Insurance	3,916	-	3,916
Legal	17,460	-	17,460
SE Detention Maintenance	2,646	-	2,646
Debt Service:			
Loan interest	-	108,428	108,428
Loan principal	-	550,000	550,000
Paying Agent Fees	-	2,000	2,000
Total Expenditures	<u>66,280</u>	<u>670,309</u>	<u>736,589</u>
NET CHANGE IN FUND BALANCES	158,320	82,780	241,100
Fund Balances - Beginning of Year	<u>718,450</u>	<u>754,510</u>	<u>1,472,960</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 876,770</u></u>	<u><u>\$ 837,290</u></u>	<u><u>\$ 1,714,060</u></u>

See accompanying Notes to Basic Financial Statements.

**HIGHFIELD METROPOLITAN DISTRICT
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, 2024**

Net Change in Fund Balances - Total Governmental Funds	\$	241,100
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. In the statement of activities capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset. Therefore, this is the amount of capital outlay, depreciation and dedication of capital assets to other governments, in the current period.

Depreciation Expense		(19,493)
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Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds.

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 Principal		550,000
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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		1,032
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Changes in Net Position of Governmental Activities	\$	772,639
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**HIGHFIELD METROPOLITAN DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2024**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 163,111	\$ 162,537	\$ (574)
Specific Ownership Taxes	14,680	12,218	(2,462)
Interest Income	42,000	36,988	(5,012)
Other Revenue	-	12,857	12,857
Total Revenues	219,791	224,600	4,809
EXPENDITURES			
Accounting	28,000	18,517	9,483
Auditing	5,700	6,500	(800)
Contingency	3,103	-	3,103
County Treasurer's Fee	2,447	2,470	(23)
District Management	12,000	12,000	-
Dues and Membership	750	2,771	(2,021)
Insurance	4,000	3,916	84
Legal	18,500	17,460	1,040
Miscellaneous	2,500	-	2,500
Lot 13A Maintenance	5,000	-	5,000
SE Detention Maintenance	5,000	2,646	2,354
Total Expenditures	87,000	66,280	20,720
NET CHANGE IN FUND BALANCE	132,791	158,320	25,529
Fund Balance - Beginning of Year	692,716	718,450	25,734
FUND BALANCE - END OF YEAR	<u>\$ 825,507</u>	<u>\$ 876,770</u>	<u>\$ 51,263</u>

See accompanying Notes to Basic Financial Statements.

**HIGHFIELD METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 DEFINITION OF REPORTING ENTITY

Highfield Metropolitan District (the District), a quasi-municipal corporation and a political subdivision of the state of Colorado, was organized by order and decree of the District Court on November 21, 2007, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is within the boundaries of Douglas County, Colorado. The District was organized to provide financing for the construction of streets, safety control, transportation, water systems, drainage systems, television relay and translator, parks and recreation facilities, mosquito control, and operation and maintenance of the District. The District held its organizational meeting on January 21, 2008.

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

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

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.

**HIGHFIELD METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

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 instead as general revenues.

Separate financial statements are provided for the 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 District 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. The District has determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation 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 and interest on long-term general obligation debt of the governmental funds.

**HIGHFIELD METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

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.

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 and investments.

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 sales 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 property tax revenues are recorded as revenue in the year they are available or collected.

Capital Assets

Capital assets, which include infrastructure (e.g., storm drainage, streets, and similar items), are reported in the applicable governmental activities column 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. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Capital assets which are anticipated to be conveyed to other governmental entities are recorded as construction in progress and are not included in the calculation of net investment in capital assets.

**HIGHFIELD METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

The costs of normal maintenance and repairs that do not add to the value of the asset 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.

Depreciation expense has been computed using the straight-line method over the estimated economic useful life:

Traffic and Safety	30 Years
Storm Sewer	15 Years

Deferred Inflows of Resources

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 position 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.

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.

**HIGHFIELD METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (Continued)

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

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

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

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

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2024 are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 867,583
Cash and Investments - Restricted	843,909
Total Cash and Investments	<u>\$ 1,711,492</u>

Cash and investments as of December 31, 2024 consist of the following:

Deposits with Financial Institutions	\$ 171,739
Investments	1,539,753
Total Cash and Investments	<u>\$ 1,711,492</u>

Deposits with Financial Institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

**HIGHFIELD METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Deposits with Financial Institutions (Continued)

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, 2024, the District's cash deposits had a bank balance of \$171,739.

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 noted with an asterisk (*) below, 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

**HIGHFIELD METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

As of December 31, 2024, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
CSAFE	Weighted-Average Under 60 Days	\$ 702,644
First American Funds - U.S. Treasury Obligations Money Market - Class D	Weighted-Average Under 60 Days	837,109
		<u>\$ 1,539,753</u>

CSAFE

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE) (the Trust), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust currently offers two portfolios – CSAFE CASH FUND and CSAFE CORE.

CSAFE CASH FUND operations similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper, any security allowed under Section 24-75-601.1, C.R.S.

CSAFE CORE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$2.00 transactional share price. CSAFE CORE may invest in securities authorized by Section 24-75-601.1, C.R.S., including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, and highest rated commercial paper.

A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE CASH FUND is rated AAmmf and CSAFE CORE is rated AAaf/S1 by Fitch Ratings. CSAFE records its investments at amortized cost and the District records its investments in CSAFE using the amortized cost method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

**HIGHFIELD METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

First American Funds - U.S. Treasury Obligations - Money Market - Class D

The trust accounts at U.S. Bank were invested in the First American Treasury Obligations Fund (Class D). This portfolio is a money market fund that is managed by First American Funds and each share is equal in value to \$1.00. The Fund is rated AAAM by Standard & Poor's and Aaa-mf by Moody's and Fitch. The Fund invests in high quality short-term debt obligations, including repurchase agreements and U.S. Treasury securities. The average maturity of the underlying securities is less than 60 days.

The Fund records its investments at amortized cost and the District records its investments in the Fund at net asset value as determined by amortized cost with \$1 per share approximating net asset value. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

NOTE 4 CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2024 follows:

	Balance at December 31, 2023	Increases	Decreases	Balance at December 31, 2024
Governmental Activities:				
Capital Assets, Being Depreciated:				
Traffic & Safety	\$ 90,506	\$ -	\$ -	\$ 90,506
Storm Sewer	247,140	-	-	247,140
Total Capital Assets, Being Depreciated	337,646	-	-	337,646
Less Accumulated Depreciation for:				
Accumulated Depreciation - Traffic & Safety	12,068	3,017	-	15,085
Accumulated Depreciation - Storm Sewer	65,904	16,476	-	82,380
Total Accumulated Depreciation	77,972	19,493	-	97,465
Total Capital Assets, Being Depreciated, Net	259,674	19,493	-	240,181
Governmental Activities Capital Assets, Net	<u>\$ 259,674</u>	<u>\$ 19,493</u>	<u>\$ -</u>	<u>\$ 240,181</u>

At completion and acceptance, all of the governmental activities capital assets will be conveyed by the District to other local governments and the District will not be responsible for maintenance of those capital assets.

Depreciation expense of \$19,493 for the year ended December 31, 2024, was charged to general government activities.

**HIGHFIELD METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 5 LONG-TERM OBLIGATIONS

The following is an analysis of changes in the District's long-term obligations for the year ended December 31, 2024:

	Balance at December 31, 2023	Additions	Reductions	Balance at December 31, 2024	Due Within One Year
Notes/Loans/Bonds from Direct Borrowings and Direct Placements					
Series 2021 G.O. Limited Tax Loan	\$ 4,740,000	\$ -	\$ 550,000	\$ 4,190,000	\$ 560,000
Total Long-Term Obligations	<u>\$ 4,740,000</u>	<u>\$ -</u>	<u>\$ 550,000</u>	<u>\$ 4,190,000</u>	<u>\$ 560,000</u>

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

Series 2021 Loan Agreement

The District entered into a General Obligation Refunding Loan Agreement with U.S. Bank N.A. (Lender) in the amount of \$5,785,000 on December 17, 2021 (2021 Loan).

Proceeds from the 2021 Loan, along with other District funds, were used to pay and cancel the entire outstanding balance of the District's 2014 Loan, in the amount of \$3,780,000, and the District's 2019 Loan, in the amount of \$2,198,820.

The 2021 Loan bears interest at 2.25%, payable semi-annually on June 1 and December 1, commencing on June 1, 2022. Annual payments of principal are due on December 1, commencing on December 1, 2022. The 2021 Loan matures on December 1, 2031. Interest is calculated on the basis of a 360-day year and actual number of days elapsed. Interest not paid when due shall compound on each Interest Payment Date at the rate of interest then borne by the 2021 Loan.

The District may prepay the 2021 Loan at any time upon payment of all or any portion of the Loan Balance, accrued interest, and a Prepayment Fee, as described in the Loan Agreement.

The District's long-term obligation will mature as follows:

Year Ending December 31,	Notes from Direct Borrowings and Direct Placements		Total
	Principal	Interest	
2025	\$ 560,000	\$ 94,275	\$ 654,275
2026	575,000	81,675	656,675
2027	585,000	68,738	653,738
2028	600,000	55,575	655,575
2029	610,000	42,075	652,075
2030-2031	1,260,000	42,637	1,302,637
Total	<u>\$ 4,190,000</u>	<u>\$ 384,975</u>	<u>\$ 4,574,975</u>

**HIGHFIELD METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt

On November 6, 2007, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$180,000,000 at an interest rate not to exceed 12% per annum.

At December 31, 2024, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Amount Authorized on November 6, 2007	Authorization Used						Authorized But Unused
		12/19/2014	10/20/2015	9/29/2016	8/29/2017	8/9/2019	12/17/2021	
Streets	\$ 15,000,000	\$ 777,717	\$ -	\$ -	\$ -	\$ 2,262,381	\$ -	\$ 11,959,902
Water	15,000,000	1,441,669	-	-	-	-	-	13,558,331
Sanitary Sewer	15,000,000	1,030,614	-	-	-	-	-	13,969,386
Storm Sewer	15,000,000	-	-	-	-	-	-	15,000,000
Parks and Recreation	15,000,000	-	-	-	-	-	-	15,000,000
Traffic and Safety	15,000,000	-	-	-	-	-	-	15,000,000
Mosquito Control	15,000,000	-	-	-	-	-	-	15,000,000
Public Transportation	15,000,000	-	-	-	-	-	-	15,000,000
Television Relay and Translation	15,000,000	-	-	-	-	-	-	15,000,000
Operations and Maintenance	15,000,000	-	-	-	-	-	-	15,000,000
Debt Refunding	15,000,000	-	-	-	-	-	5,785,000	9,215,000
Reimbursements	15,000,000	-	436,400	242,340	321,260	-	-	14,000,000
Total	<u>\$ 180,000,000</u>	<u>\$ 3,250,000</u>	<u>\$ 436,400</u>	<u>\$ 242,340</u>	<u>\$ 321,260</u>	<u>\$ 2,262,381</u>	<u>\$ 5,785,000</u>	<u>\$ 167,702,619</u>

Pursuant to the Service Plan, the District is permitted to issue bond indebtedness of up to \$15,000,000 at a maximum interest rate of 12% and the maximum underwriting discount is 2%. The Service Plan also limits the total mill levy (debt service and operations combined) to 50.000 mills, as adjusted for changes in the ratio of actual value to assessed value of property within the District.

In the future, the District may issue a portion of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area.

NOTE 6 NET POSITION

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

**HIGHFIELD METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 6 NET POSITION (CONTINUED)

Restricted net position includes assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislations. The District had a restricted net position as of December 31, 2024 as follows:

	<u>Governmental Activities</u>
Restricted Net Position:	
Emergencies	\$ 6,800
Debt Service Reserve	<u>504,434</u>
Total Restricted Net Position	<u><u>\$ 511,234</u></u>

The District has a deficit in unrestricted net position. This deficit amount is a result of the District being responsible for the repayment of debt issued for public improvements which will be conveyed to other entities and which costs were removed from the District's financial records.

NOTE 7 RELATED PARTIES

The Developer of the property which constitutes the District is Highfield Business Park, LLC (Developer). The members of the Board of Directors of the District are owners of or are otherwise associated with the Developer and may have conflicts of interest in dealing with the District.

Developer Advances

Advance and Reimbursement and Facilities Acquisition Agreement

The District and the Developer have entered into an Advance and Reimbursement and Facilities Acquisition Agreement (the Agreement) dated January 21, 2008, and subsequently amended on December 11, 2014 and on July 23, 2019. Pursuant to the Agreement as amended, the Developer has agreed to advance funds for financing the costs associated with the formation of the District, District operations, and construction of District improvements after formation. Advances made by the Developer shall accrue interest at the prime rate plus a margin of 1.00% per annum.

The District shall make payments for the advances, subject to annual appropriation and budget approval, from funds available within any fiscal year and not otherwise required for operations, capital improvements, or debt service costs.

At December 31, 2024, no amounts were owed under this agreement.

**HIGHFIELD METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 8 RISK MANAGEMENT

Except as provided in the Colorado Governmental Immunity Act, §24-10-101, et seq., C.R.S., the District may be 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, public officials' liability, and workers' compensation 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 9 TAX, SPENDING, AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, referred to 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.

On November 6, 2007, the District voters passed an election question allowing the District to increase property taxes up to \$1,000,000 annually, with a maximum mill levy of 50 mills, to pay the District's operations, maintenance, and other expenses. Additionally, the District's electors authorized the District to collect, retain, and spend all revenue annually without regard to limitations under TABOR.

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.

SUPPLEMENTARY INFORMATION

**HIGHFIELD METROPOLITAN DISTRICT
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2024**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 652,446	\$ 650,149	\$ (2,297)
Specific Ownership Taxes	58,720	48,871	(9,849)
Interest Income	36,000	54,069	18,069
Total Revenues	<u>747,166</u>	<u>753,089</u>	<u>5,923</u>
EXPENDITURES			
County Treasurer's Fee	9,787	9,881	(94)
Paying Agent Fees	4,000	2,000	2,000
Loan Interest	106,650	108,428	(1,778)
Loan Principal	550,000	550,000	-
Contingency	2,563	-	2,563
Total Expenditures	<u>673,000</u>	<u>670,309</u>	<u>2,691</u>
NET CHANGE IN FUND BALANCE	74,166	82,780	8,614
Fund Balance - Beginning of Year	<u>738,227</u>	<u>754,510</u>	<u>16,283</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 812,393</u></u>	<u><u>\$ 837,290</u></u>	<u><u>\$ 24,897</u></u>

OTHER INFORMATION

**HIGHFIELD METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2024**

	\$5,785,000		
	General Obligation Refunding Loan, Series 2021		
	Dated 12/17/2021		
	Principal due December 1		
	Interest Rate 2.250%		
	Payable June 1 and December 1		
Loans and Interest Maturing in the Year Ending December 31.	Principal	Interest	Total
2025	\$ 560,000	\$ 94,275	\$ 654,275
2026	575,000	81,675	656,675
2027	585,000	68,738	653,738
2028	600,000	55,575	655,575
2029	610,000	42,075	652,075
2030	625,000	28,350	653,350
2031	635,000	14,287	649,287
Total	<u>\$ 4,190,000</u>	<u>\$ 384,975</u>	<u>\$ 4,574,975</u>

HIGHFIELD METROPOLITAN DISTRICT
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2024

Year Ended <u>December 31,</u>	Assessed Valuation	Percent Change	Total Mills Levied			Total Property Taxes		Percent Collected to Levied
			General Operations	Debt Service	Total	Levied	Collected	
2019/2020	\$ 29,536,630	89.8 %	10.000	15.000	25.000	\$ 738,415	\$ 738,415	100.00 %
2020/2021	34,140,200	15.6	10.000	15.000	25.000	853,505	853,505	100.00
2021/2022	43,432,350	27.2	10.000	15.000	25.000	1,085,809	1,081,283	99.58
2022/2023	42,702,000	-1.7	6.000	15.000	21.000	896,742	894,368	99.74
2023/2024	54,370,460	27.3	3.000	12.000	15.000	815,557	812,686	99.65
Estimated for Year Ending December 31, 2025	\$ 56,484,010	3.9%	2.000	12.000	14.000	\$ 790,776		

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: Douglas Assessor and Treasurer.