



## ICENOGLE SEAVER POGUE

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June 29, 2021

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

**Re: Highfield Metropolitan District**  
Filing of Annual Report

Dear Sir or Madam:

Enclosed for your information and records is a copy of the 2021 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

/s/Grant N. Simon

/GNS  
Enclosure

**HIGHFIELD METROPOLITAN DISTRICT**  
**2021 ANNUAL REPORT<sup>1</sup>**

(For activities completed June 1, 2020 through June 1, 2021), and with information about prospective years)

**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 2022
Stephanie Stewart	Secretary	May 2022
Hugh Smith	Treasurer	May 2023
Tyrone Pippin	Assistant Secretary	May 2023
Vacant		May 2022

**b. Changes in board membership in past year.**

None.

**c. Name and address for official District contact.**

Hugh Smith  
Bradbury Properties  
9380 Station Street, Suite 500  
Lone Tree, Colorado 80124

**d. Elections past year and their purpose.**

There were no elections held in the past year.

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

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**

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<sup>1</sup> Completed with information current through June 1, 2021.

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

b. Public Improvements Agreement

Contracting Parties: Highfield Metropolitan District  
Board of County Commissioners of the County of Douglas

Execution Date: July 11, 2019

Subject Matter: To provide for the completion of certain public improvements

Expiration Date Final acceptance of the public improvements

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.

#### **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 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.**

2021.

**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, 6<sup>th</sup> 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 is currently in the process of applying for probationary acceptance from Douglas County, Colorado.

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

All roadways (including the recently completed widening of Compark Boulevard, as previously described in Section V(d)), water, sewer and stormwater improvements that were to be constructed by the District for Highfield Business Park have been completed.

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

On or about June 15, 2021, the District completed the widening of Compark Boulevard and related facilities. There are currently no other 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. No population projections are 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.**

The 2020 audit has not been completed as of this time of this filing and therefore will be submitted with next year's annual report. Please find enclosed a copy of the 2019 audit which had not been completed as of the time of this filing last year.

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

Please find enclosed a copy of the 2021 budget.

- 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 2016, 2017, 2018, 2018 (amended), 2019, and 2020, for information regarding revenues, expenditures, fees, tolls, mill levies, etc., of the District for the previous five years, and the 2021 budget included herewith for revenues and expenditures expected in 2021, including the anticipated miscellaneous tax revenue. The District does not currently impose any fees, rates, or tolls. Besides the 2021 Budget, submitted in response to VI(b), no other projections are available for revenues and expenditures of the District for the next five years. In 2016, 2017, 2018, and 2019, the District certified a mill levy of 5.000 mills for general operating expenses and 20.000 mills for general obligation bonds and interest. In 2020 and 2021, the District certified a mill levy of 10.000 mills for general operating expenses and 15.000 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 25 mills in 2016, 14.19 mills in 2017, 12.63 mills in 2018, 12.64 mills in 2019, 12.57 mills in 2020, and 12.61 mills in 2021. The Service

Plan contemplated that the District would certify for general operating expenses a mill levy of 5.00 mills in 2016, 4.36 mills in 2017, 4.26 mills in 2018, 4.18 mills in 2019, 3.87 mills in 2020, and 3.79 mills in 2021.

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

\$4,250,000

Highfield Metropolitan District

Limited Tax General Obligation Loan 2014

Please see the enclosed 2021 budget for the Schedule of Debt Service Requirements to Maturity.

On November 16, 2016, the Board of Directors authorized the conversion of the interest rates of the Limited Tax General Obligation Loan 2014 from taxable to tax-exempt rates as contemplated in the Loan Agreement. The interest rates were adjusted to tax-exempt rates as of December 1, 2016. See the 2021 budget for the Schedule of Debt Service Requirements to Maturity.

\$2,262,382

Highfield Metropolitan District

Limited Tax General Obligation Loan 2019

Please see the enclosed 2021 budget for the Schedule of Debt Service Requirements to Maturity

**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 – \$15,000,000

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 Defeating District Debt or  
Obligations  
Election Date – November 6, 2007  
Amount of Authorized and yet Unissued Debt – \$15,000,000

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.**

\$4,250,000

Highfield Metropolitan District  
Limited Tax General Obligation Loan 2014

\$2,262,382

Highfield Metropolitan District  
Limited Tax General Obligation Loan 2019

Amount currently outstanding: \$5,978,820

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 above Section III.

Public Works Construction/Improvement Contract

Contracting Parties: Highfield Metropolitan District  
R.G. Brinkmann Company d/b/a Brinkman  
Constructors

Execution Date: September 4, 2019

Subject Matter: Road widening of Compark Boulevard, to include  
demolition, earthwork, surveying, asphalt paving,  
site concrete, utilities, and miscellaneous site  
improvements, landscaping, and irrigation

Expiration Date: Upon final acceptance by Douglas County

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

In 2021, the District will make interest payments in the amount of \$171,013 and will make a principal payment in the amount of \$5,978,820 for the loans described herein. The District has routine payments due for the loan as described in the loan documents and as indicated in the 2021 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 2013 was \$5,042,920.

The assessed valuation for the District for 2014 was \$7,184,980.

The assessed valuation for the District for 2015 was \$9,366,170.

The assessed valuation for the District for 2016 was \$10,454,000.

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.

- 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 for 2013 was \$12,894,896.

The estimated assessed valuation set forth in the Service Plan for the District for 2014 was \$23,987,396.

The estimated assessed valuation set forth in the Service Plan for the District for 2015 was \$31,957,017.

The estimated assessed valuation set forth in the Service Plan for the District in 2016 was \$38,482,017.

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.

**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 25 mills for general operating expenses was levied for 2014.

A mill levy of 5.250 mills for general operating expenses and 19.750 mills for general obligation bonds and interest were levied for 2015.

A mill levy of 5 mills for general operating expenses and 20 mills for general obligation bonds and interest were levied for 2016.

A mill levy of 5 mills for general operating expenses and 20 mills for general obligation bonds and interest were levied for 2017.

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.

- 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 was projected to be levied in 2014, 2015, 2016, 2017, and 2018, a mill levy of 4.84 mills for general operating expenses was projected be levied in 2019, a mill levy of 4.49 mills for general operating expenses was projected be levied in 2020, and a mill levy of 3.79 mills for general operating expenses was projected to be levied in 2021 in the Service Plan. A mill levy of 35 mills for general obligation bonds and interest was projected to be levied in 2014, 2015, 2016, and 2017 in the Service Plan. A mill levy of 28.49 for general obligation bonds and interest was projected to be levied in 2018. A mill levy of 14.62 for general obligation bonds and interest was projected to be levied in 2019. A mill levy of 14.60 for general obligation bonds and interest was projected to be levied in 2020. A mill levy of 12.61 for general obligation bonds and interest was projected to be levied in 2021.

**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 2014 was:

- General Operations:
  - Property Tax: \$126,073
  - Specific Ownership Tax: \$10,085

The miscellaneous tax revenue budgeted for the District for 2015 was:

- General Operations:

- Property Tax: \$37,721
- Specific Ownership Tax: \$3,018
- Debt Service on Taxable General Obligation Loan, Series 2014:
  - Property Taxes: \$141,903
  - Specific Ownership Tax: \$11,352

The miscellaneous tax revenue budgeted for the District for 2016 was:

- General Operations:
  - Property Tax: \$46,831
  - Specific Ownership Tax: \$4,215
- Debt Service on Taxable General Obligation Loan, Series 2014:
  - Property Taxes: \$187,323
  - Specific Ownership Tax: \$16,859

The miscellaneous tax revenue budgeted for the District for 2017 was:

- General Operations:
  - Property Tax: \$55,270
  - Specific Ownership Tax: \$4,704
- Debt Service on Taxable General Obligation Loan, Series 2014:
  - Property Tax: \$209,080
  - Specific Ownership Tax: \$18,817

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 is:

- 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

**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 2014 for debt was \$34,002. The specific ownership tax projected in the Service Plan in 2014 for operations was \$4,857.

The specific ownership tax projected in the Service Plan in 2015 for debt was \$35,023. The specific ownership tax projected in the Service Plan in 2015 for operations was \$5,003.

The specific ownership tax projected in the Service Plan in 2016 for debt was \$65,150. The specific ownership tax projected in the Service Plan in 2016 for operations was \$9,307.

The specific ownership tax projected in the Service Plan in 2017 for debt was \$86,795. The specific ownership tax projected in the Service Plan in 2017 for operations was \$12,399.

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.

**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 updated estimate is available at this time.



**HIGHFIELD METROPOLITAN DISTRICT  
Douglas County, Colorado**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2019**

**HIGHFIELD METROPOLITAN DISTRICT  
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## Independent Auditor's Report

Board of Directors  
Highfield Metropolitan District  
Douglas County, Colorado

### **Report on the Financial Statements**

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, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Highfield Metropolitan District as of December 31, 2019, 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.

## **Other Matters**

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 opinion on the basic financial statements is not affected by this missing information.

Our audit was conducted for the purpose of forming an opinion 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, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The other information, as listed in the table of contents, has not been subject to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*Wipfli LLP*  
*Lakewood, Colorado*

September 28, 2020

## **BASIC FINANCIAL STATEMENTS**

**HIGHFIELD METROPOLITAN DISTRICT  
STATEMENT OF NET POSITION  
DECEMBER 31, 2019**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and Investments	\$ 129,914
Cash and Investments - Restricted	1,362,938
Receivable from County Treasurer	3,538
Property Taxes Receivable	738,415
Prepaid Expense	7,860
Capital Assets, Not Being Depreciated	<u>533,545</u>
Total Assets	<u>2,776,210</u>
<b>LIABILITIES</b>	
Accounts Payable	64,508
Accrued Interest Payable	14,200
Noncurrent Liabilities:	
Due in One Year	144,173
Due in More Than One Year	<u>6,181,483</u>
Total Liabilities	<u>6,404,364</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property Tax Revenue	<u>738,415</u>
Total Deferred Inflows of Resources	<u>738,415</u>
<b>NET POSITION</b>	
Restricted for:	
Emergency Reserves	2,600
Debt Service	287,522
Unrestricted	<u>(4,656,691)</u>
Total Net Position	<u><u>\$ (4,366,569)</u></u>

See accompanying Notes to Basic Financial Statements.

**HIGHFIELD METROPOLITAN DISTRICT  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2019**

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net Revenues (Expenses) and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government:					
Government Activities:					
General Government	\$ 55,720	\$ -	\$ -	\$ -	\$ (55,720)
Interest and Related Costs on Long-Term Debt	257,477	-	-	-	(257,477)
Total Governmental Activities	<u>\$ 313,197</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	(313,197)
General Revenues:					
Property Taxes					382,585
Specific Ownership Taxes					39,028
Net Investment Income					<u>4,382</u>
Total General Revenues					<u>425,995</u>
<b>CHANGE IN NET POSITION</b>					112,798
Net Position - Beginning of Year					<u>(4,479,367)</u>
<b>NET POSITION - END OF YEAR</b>					<u>\$ (4,366,569)</u>

See accompanying Notes to Basic Financial Statements.

**HIGHFIELD METROPOLITAN DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2019**

	General	Debt Service	Capital Projects	Total Governmental Funds
<b>ASSETS</b>				
Cash and Investments	\$ 129,914	\$ -	\$ -	\$ 129,914
Cash and Investments - Restricted	2,600	393,070	967,268	1,362,938
Receivable from County Treasurer	708	2,830	-	3,538
Due from Other Funds	293	-	-	293
Property Taxes Receivable	295,366	443,049	-	738,415
Prepaid Expense	2,946	4,914	-	7,860
Total Assets	<u>\$ 431,827</u>	<u>\$ 843,863</u>	<u>\$ 967,268</u>	<u>\$ 2,242,958</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Accounts Payable	\$ 992	\$ -	\$ 63,516	\$ 64,508
Due to Other Funds	-	-	293	293
Total Liabilities	<u>992</u>	<u>-</u>	<u>63,809</u>	<u>64,801</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Property Tax Revenue	295,366	443,049	-	738,415
Total Deferred Inflows of Resources	<u>295,366</u>	<u>443,049</u>	<u>-</u>	<u>738,415</u>
<b>FUND BALANCES</b>				
Nonspendable:				
Prepaid Expense	2,946	4,914	-	7,860
Restricted for:				
Emergency Reserves	2,600	-	-	2,600
Debt Service	-	395,900	-	395,900
Capital Projects	-	-	903,459	903,459
Assigned:				
Subsequent Year's Expenditures	66,051	-	-	66,051
Unassigned	63,872	-	-	63,872
Total Fund Balances	<u>135,469</u>	<u>400,814</u>	<u>903,459</u>	<u>1,439,742</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 431,827</u>	<u>\$ 843,863</u>	<u>\$ 967,268</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 as assets in the funds.

Capital assets 533,545

Long-term liabilities, including developer advances and accrued interest, are not due and payable in the current period and, therefore, are not recorded as liabilities in the funds.

Loans payable	(6,122,993)
Accrued interest payable	(14,200)
Developer advances payable	(144,511)
Interest payable - Developer advances	<u>(58,152)</u>

Net Position of Governmental Activities	<u>\$ (4,366,569)</u>
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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, 2019**

	General	Debt Service	Capital Projects	Total Governmental Funds
<b>REVENUES</b>				
Property Taxes	\$ 76,517	\$ 306,068	\$ -	\$ 382,585
Specific Ownership Taxes	7,806	31,222	-	39,028
Net Investment Income	-	2,182	2,200	4,382
Total Revenues	84,323	339,472	2,200	425,995
<b>EXPENDITURES</b>				
Current:				
Accounting	17,760	-	-	17,760
Auditing	4,400	-	-	4,400
County Treasurer's Fees	1,151	4,604	-	5,755
District Management	12,000	-	-	12,000
Dues and Membership	434	-	-	434
Insurance	2,880	-	-	2,880
Legal	15,467	-	-	15,467
Miscellaneous	55	-	-	55
SE Detention Maintenance	1,573	-	-	1,573
Debt Service:				
Loan Principal	-	149,388	-	149,388
Loan Interest	-	127,048	-	127,048
Loan Issue Costs	-	-	92,623	92,623
Capital Outlay	-	-	195,899	195,899
Total Expenditures	55,720	281,040	288,522	625,282
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	28,603	58,432	(286,322)	(199,287)
<b>OTHER FINANCING SOURCES (USES)</b>				
Loan Issuance	-	-	2,262,381	2,262,381
Repay Developer Advance - Principal	-	-	(917,151)	(917,151)
Repay Developer Advance - Interest	-	-	(56,357)	(56,357)
Transfers From Other Fund	-	99,092	-	99,092
Transfers to Other Fund	-	-	(99,092)	(99,092)
Total Other Financing Sources (Uses)	-	99,092	1,189,781	1,288,873
<b>NET CHANGE IN FUND BALANCES</b>	28,603	157,524	903,459	1,089,586
Fund Balances - Beginning of Year	106,866	243,290	-	350,156
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 135,469</u>	<u>\$ 400,814</u>	<u>\$ 903,459</u>	<u>\$ 1,439,742</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, 2019**

Net Change in Fund Balances - Governmental Funds	\$ 1,089,586
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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. During the current period there were no depreciable assets.

Capital Outlay	195,899
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Long-term debt (e.g., Developer advances) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Repayment of Developer Advance - Principal	917,151
Repayment of Developer Advance - Interest	56,357
Current Year Loan Principal Payments	149,388
Loan Issuance	(2,262,381)

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 on Developer Advances - Change in Liability	(27,927)
Accrued Interest on Loan - Change in Liability	(5,275)

Change in Net Position of Governmental Activities	\$ 112,798
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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, 2019**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 77,822	\$ 76,517	\$ (1,305)
Specific Ownership Taxes	7,782	7,806	24
Total Revenues	85,604	84,323	(1,281)
<b>EXPENDITURES</b>			
General and Administration			
Accounting	15,000	17,760	(2,760)
Auditing	4,600	4,400	200
Consulting Expense	1,000	-	1,000
County Treasurer's Fees	1,168	1,151	17
District Management	12,000	12,000	-
Dues and membership	500	434	66
Insurance	2,500	2,880	(380)
Legal	15,000	15,467	(467)
Miscellaneous	500	55	445
Contingency	7,232	-	7,232
Operations and Maintenance			
Lot 13A Maintenance	10,000	-	10,000
SE Detention Maintenance	7,500	1,573	5,927
Total Expenditures	77,000	55,720	21,280
<b>NET CHANGE IN FUND BALANCE</b>	8,604	28,603	19,999
Fund Balance - Beginning of Year	105,760	106,866	1,106
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 114,364</u>	<u>\$ 135,469</u>	<u>\$ 21,105</u>

See accompanying Notes to Basic Financial Statements.

**HIGHFIELD METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**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, 2019**

**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.

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

**HIGHFIELD METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

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

**Budgets**

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses level and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

The District amended its annual budget for the year ended December 31, 2019.

**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.

**HIGHFIELD METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

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

**Capital Assets (Continued)**

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.

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 fixed assets, as applicable.

All capital improvements acquired by the District have been or are anticipated to be conveyed to other entities and removed from the District's financial records.

**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, 2019**

**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, 2019 are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 129,914
Cash and Investments - Restricted	1,362,938
Total Cash and Investments	<u><u>\$ 1,492,852</u></u>

Cash and investments as of December 31, 2019 consist of the following:

Deposits with Financial Institutions	\$ 320,261
Investments	1,172,591
Total Cash and Investments	<u><u>\$ 1,492,852</u></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, 2019**

**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, 2019, the District's cash deposits had a bank balance and a carrying balance of \$320,261.

**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

As of December 31, 2019, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
First American Funds - U.S. Treasury	Weighted Average	
Obligations Money Market - Class D	Under 60 Days	<u>\$ 1,172,591</u>

**HIGHFIELD METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**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.

**NOTE 4 CAPITAL ASSETS**

	2018	Increases	Decreases	2019
Capital Assets, Not Being Depreciated:				
Construction in progress	\$ 337,646	\$ 195,899	\$ -	\$ 533,545
Total Capital Assets, Not Being Depreciated	<u>\$ 337,646</u>	<u>\$ 195,899</u>	<u>\$ -</u>	<u>\$ 533,545</u>

**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, 2019:

	Balance at December 31, 2018	Additions	Retirement of Long-Term Obligations	Balance at December 31, 2019	Due Within One Year
G.O. Limited Tax Loans					
Series 2014	\$ 4,010,000	\$ -	\$ 110,000	\$ 3,900,000	\$ 120,000
Series 2019	-	2,262,381	39,388	2,222,993	24,173
Developer Advances:					
Operations and Management	144,511	-	-	144,511	-
Capital	917,151	-	917,151	-	-
Accrued Interest on Developer Advances:					
Operations and Management	52,010	6,142	-	58,152	-
Capital	34,572	21,785	56,357	-	-
Total	<u>\$ 5,158,244</u>	<u>\$ 2,290,308</u>	<u>\$ 1,122,896</u>	<u>\$ 6,325,656</u>	<u>\$ 144,173</u>

The detail of the District's long-term obligation is as follows:

**Series 2014 Loan Agreement**

On December 19, 2014, the District entered into a Taxable General Obligation Loan Agreement (2014 Loan) with U.S. Bank N.A. (Lender) in the maximum amount of \$4,250,000. The 2014 Loan was used to establish a debt service reserve, pay for cost of issuance, and repay Developer advances used for the purchase or construction of infrastructure and related costs along with accrued interest. The interest rate of the 2014 Loan is 4.10% through December 19, 2021. After that date, the interest rate will be updated based on the current market rate.

**HIGHFIELD METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**Series 2014 Loan Agreement (Continued)**

On October 20, 2015, the District issued \$436,400 additional principal on the existing Taxable General Obligation Loan, Series 2014, for the purpose of reimbursing the Developer for outstanding advances. This addition to the loan also has an anticipated maturity date of December 1, 2044, but carries a fixed interest rate of 3.910% through December 19, 2021, at which time the entire loan will be renewed with a new interest rate determined based on current market value at that time.

On September 29, 2016, the District issued \$242,340 additional principal on the existing Taxable General Obligation Loan, Series 2014, for the purpose of reimbursing the Developer for outstanding advances. This addition to the loan also has an anticipated maturity date of December 1, 2044 but carries a fixed interest rate of 3.230% through December 19, 2021, at which time the entire loan will be renewed with a new interest rate determined based on current market value at that time.

On August 29, 2017, the District issued \$321,260 additional principal on the existing Taxable General Obligation Loan, Series 2014, for the purpose of reimbursing the Developer for outstanding advances. This addition to the loan also has an anticipated maturity date of December 1, 2044 but carries a fixed interest rate of 2.380% through December 19, 2021, at which time the entire loan will be renewed with a new interest rate.

Effective December 1, 2016 the Loan converted to a Tax-exempt Loan and the interest rates on the loan were lowered to the tax exempt rates as follows:

December 19, 2014	\$3,250,000	4.10% to 2.71%
October 20, 2015	\$ 436,400	3.91% to 2.58%
August 29, 2016	\$ 242,340	3.23% to 2.13%

**Series 2019 Loan Agreement**

The District entered into a Limited Tax General Obligation Loan Agreement with U.S. Bank N.A. (Lender) in an amount not to exceed \$2,850,000 on August 9, 2019 (2019 Loan). The Initial Advance on the 2019 Loan was extended to the District on the Closing Date of the 2019 Loan in the amount of \$2,262,381.

The 2019 Loan was used to establish a Reserve Fund, pay the costs of issuing the 2019 Loan, and finance and reimburse costs of constructing or acquiring certain Public Improvements.

The Initial Advance on the 2019 Loan bears interest at 2.8%, payable semi-annually to the extent of Pledged Revenue available on June 1 and December 1, beginning on December 1, 2019. Annual payments of principal are due on December 1, commencing on December 1, 2019. The 2019 Loan matures on December 19, 2021. 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 2019 Loan.

**HIGHFIELD METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**Series 2019 Loan Agreement (Continued)**

The District may prepay the 2019 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 2019 Loan is payable solely from and to the extent of Pledged Revenue on an equal and parity basis with the 2014 Loan. Pledged Revenue consists of (a) the revenue derived by the District (less costs of collection) from the imposition of the Required Mill Levy; (b) Specific Ownership Taxes allocable to the revenue derived by the Required Mill Levy, net of the costs of collection; and (c) all amounts held in the funds and accounts to secure the 2019 Loan.

The Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to pay principal and interest due on the 2019 Loan, the Parity Obligations and, if necessary replenish the Reserve Fund to the Reserve Requirement, but not in excess of 50 mills.

The 2019 Loan is further secured by the Reserve Fund which was funded from the proceeds of the 2019 Loan in the amount of \$99,092. The Reserve Fund Requirement with respect to the 2019 Loan, is 4.38% of all Advances made by the Lender on the 2019 Loan.

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 144,173	\$ 167,649	\$ 311,822
2021	178,057	163,208	341,265
on 12/19/2021	5,800,763	7,805	5,808,568
	<u>\$ 6,122,993</u>	<u>\$ 338,662</u>	<u>\$ 6,461,655</u>

**HIGHFIELD METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**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, 2019, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Authorized November 6, 2007 Election	Authorization Used 12/19/2014	Authorization Used 10/20/2015	Authorization Used 09/29/2016	Authorization Used 08/29/2017	Authorization Used 08/09/2019	Remaining at December 31, 2019
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	-	-	-	-	-	15,000,000
Reimbursements	15,000,000	-	436,400	242,340	321,260	-	14,000,000
	<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>\$ 173,487,619</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.

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, 2019 as follows:

Restricted Net Position:

Emergency Reserves	\$ 2,600
Debt Service	287,522
Total Restricted Net Position	<u>\$ 290,122</u>

**HIGHFIELD METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**NOTE 6 NET POSITION (CONTINUED)**

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 were 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.

During the year ended December 31, 2019, the District repaid the Developer \$917,151 capital and \$56,357 accrued interest from the proceeds of the 2019 Loan. At December 31, 2019, the District owed \$144,511 in principal and \$58,152 in accrued interest.

**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 (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.

**HIGHFIELD METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**NOTE 8 RISK MANAGEMENT (CONTINUED)**

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, 2019**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Property Taxes	\$ 311,288	\$ 311,288	\$ 306,068	\$ (5,220)
Specific Ownership Taxes	31,129	31,129	31,222	93
Net Investment Income	1,800	1,800	2,182	382
Total Revenues	<u>344,217</u>	<u>344,217</u>	<u>339,472</u>	<u>(4,745)</u>
<b>EXPENDITURES</b>				
Debt Service:				
County Treasurer's Fees	4,670	4,670	4,604	66
Loan Principal	110,000	150,000	149,388	612
Loan Interest	135,688	135,688	127,048	8,640
Paying Agent/Trustee Fees	1,200	1,200	-	1,200
Contingency	8,442	8,442	-	8,442
Total Expenditures	<u>260,000</u>	<u>300,000</u>	<u>281,040</u>	<u>18,960</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	84,217	44,217	58,432	14,215
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers From Other Fund	-	100,000	99,092	(908)
Total Other Financing Sources (Uses)	<u>-</u>	<u>100,000</u>	<u>99,092</u>	<u>(908)</u>
<b>NET CHANGE IN FUND BALANCE</b>	84,217	144,217	157,524	13,307
Fund Balance - Beginning of Year	<u>243,597</u>	<u>243,290</u>	<u>243,290</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 327,814</u>	<u>\$ 387,507</u>	<u>\$ 400,814</u>	<u>\$ 13,307</u>

**HIGHFIELD METROPOLITAN DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2019**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Net Investment Income	\$ -	\$ 2,000	\$ 2,200	\$ 200
Total Revenues	-	2,000	2,200	200
<b>EXPENDITURES</b>				
Capital Projects:				
Contingency	13,666	50,000	-	50,000
Loan Issue Costs	75,000	95,000	92,623	2,377
Phase 3 Improvements	-	200,000	195,899	4,101
Total Expenditures	88,666	345,000	288,522	56,478
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(88,666)	(343,000)	(286,322)	56,678
<b>OTHER FINANCING SOURCES (USES)</b>				
Loan Issuance	1,050,000	2,300,000	2,262,381	(37,619)
Repay Developer Advance - Principal	(917,151)	(917,151)	(917,151)	-
Repay Developer Advance - Interest	(44,183)	(57,849)	(56,357)	1,492
Transfers to Other Fund	-	(100,000)	(99,092)	908
Total Other Financing Sources (Uses)	88,666	1,225,000	1,189,781	(35,219)
<b>NET CHANGE IN FUND BALANCE</b>	-	882,000	903,459	21,459
Fund Balance - Beginning of Year	-	-	-	-
<b>FUND BALANCE - END OF YEAR</b>	\$ -	\$ 882,000	\$ 903,459	\$ 21,459

## **OTHER INFORMATION**

**HIGHFIELD METROPOLITAN DISTRICT  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY  
DECEMBER 31, 2019**

	\$4,250,000		
	Taxable General Obligation Loan		
	Series 2014, 2015, 2016, and 2017		
	Dated December 19, 2014, October 20, 2015,		
	September 29, 2016, and August 29, 2017		
	Principal due December 1		
	Interest Rate 4.100% on \$3,250,000;		
	Interest Rate change effective 12/01/16 to 2.710% and		
	3.910% on \$436,400 through December 19, 2021;		
	Interest Rate change effective 12/01/16 to 2.580% and		
	3.230% on \$242,340 through December 19, 2021;		
	Interest Rate change effective 12/01/16 to 2.130% and		
	2.380% on \$321,260 through December 19, 2021; and		
	Payable June 1 and December 1		
Bonds and Interest Maturing in the Year Ending <u>December 31,</u>	Principal	Interest	Total
2020	\$ 120,000	\$ 104,368	\$ 224,368
2021	125,000	100,786	225,786
on 12/19/2021	3,655,000	4,801	3,659,801
	<u>\$ 3,900,000</u>	<u>\$ 209,955</u>	<u>\$ 4,109,955</u>

	\$2,850,000		
	Limited Tax General Obligation Loan 2019		
	Dated August 9, 2019		
	Initial Advance \$2,261,381		
	Principal due December 1		
	Interest Rate 2.80%		
	Payable June 1 and December 1		
Bonds and Interest Maturing in the Year Ending <u>December 31,</u>	Principal	Interest	Total
2020	\$ 24,173	\$ 63,281	\$ 87,454
2021	53,057	62,422	115,479
on 12/19/2021	2,145,763	3,004	2,148,767
	<u>\$ 2,222,993</u>	<u>\$ 128,707</u>	<u>\$ 2,351,700</u>

**HIGHFIELD METROPOLITAN DISTRICT  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY (CONTINUED)  
DECEMBER 31, 2019**

Bonds and Interest Maturing in the Year Ending <u>December 31,</u>	Totals		
	Principal	Interest	Total
2020	\$ 144,173	\$ 167,649	\$ 311,822
2021	178,057	163,208	341,265
on 12/19/2021	5,800,763	7,805	5,808,568
	<u>\$ 6,122,993</u>	<u>\$ 338,662</u>	<u>\$ 6,461,655</u>

**HIGHFIELD METROPOLITAN DISTRICT**  
**SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED**  
**DECEMBER 31, 2019**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied for		Total Property Taxes		Percent Collected to Levied
		General	Debt Service	Levied	Collected	
2015	\$ 7,184,980	5.250	19.750	\$ 179,624	\$ 179,624	100.00 %
2016	9,366,170	5.000	20.000	234,154	234,154	100.00
2017	10,454,000	5.000	20.000	261,350	264,446	101.00
2018	13,944,130	5.000	20.000	348,604	348,595	100.00
2019	15,564,410	5.000	20.000	389,110	382,585	98.00
Estimated for the Year Ending December 31, 2020	\$ 29,536,630	10.000	15.000	\$ 738,415		

NOTE: Property taxes collected in any one year include collection of delinquent property taxes levied in prior years.

**HIGHFIELD METROPOLITAN DISTRICT**

**ANNUAL BUDGET**

**FOR THE YEAR ENDING DECEMBER 31, 2021**

**HIGHFIELD METROPOLITAN DISTRICT  
SUMMARY  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

1/6/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCES	\$ 350,156	\$ 1,439,742	\$ 628,481
REVENUES			
Property taxes	382,585	738,415	853,505
Specific ownership tax	39,028	61,000	68,280
Net investment income	4,382	5,500	3,200
Loan issuance	2,262,381	-	-
Loan refunding	-	-	5,800,763
Total revenues	2,688,376	804,915	6,725,748
TRANSFERS IN	99,092	325,638	120,000
Total funds available	3,137,624	2,570,295	7,474,229
EXPENDITURES			
General and administrative	54,147	57,373	279,500
Operations and maintenance	1,573	5,000	22,500
Debt service	281,040	321,806	6,245,000
Capital projects	1,262,030	1,231,997	120,000
Total expenditures	1,598,790	1,616,176	6,667,000
TRANSFERS OUT	99,092	325,638	120,000
Total expenditures and transfers out requiring appropriation	1,697,882	1,941,814	6,787,000
ENDING FUND BALANCES	\$ 1,439,742	\$ 628,481	\$ 687,229
EMERGENCY RESERVE	\$ 2,600	\$ 9,600	\$ 11,100
AVAILABLE FOR OPERATIONS	132,869	57,624	2,838
DEBT SERVICE RESERVE	204,093	204,093	204,093
TOTAL RESERVE	\$ 339,562	\$ 271,317	\$ 218,031

No assurance provided. See summary of significant assumptions.



**HIGHFIELD METROPOLITAN DISTRICT  
PROPERTY TAX SUMMARY INFORMATION  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

1/6/21

ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
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**ASSESSED VALUATION**

Commercial	\$ 3,703,900	\$ 2,624,890	\$ 9,754,910
Industrial	11,431,620	16,077,550	24,383,260
Agricultural	4,650	5,610	2,020
State assessed	1,000	-	-
Personal property	423,240	10,828,570	-
Other	-	10	10
	<u>15,564,410</u>	<u>29,536,630</u>	<u>34,140,200</u>
Adjustments	-	-	-
Certified Assessed Value	<u>\$ 15,564,410</u>	<u>\$ 29,536,630</u>	<u>\$ 34,140,200</u>

**MILL LEVY**

General	5.000	10.000	10.000
Debt Service	20.000	15.000	15.000
Total mill levy	<u>25.000</u>	<u>25.000</u>	<u>25.000</u>

**PROPERTY TAXES**

General	\$ 77,822	\$ 295,366	\$ 341,402
Debt Service	311,288	443,049	512,103
Levied property taxes	<u>389,110</u>	<u>738,415</u>	<u>853,505</u>
Refunds and abatements	(6,525)	-	-
Budgeted property taxes	<u>\$ 382,585</u>	<u>\$ 738,415</u>	<u>\$ 853,505</u>

**BUDGETED PROPERTY TAXES**

General	\$ 76,517	\$ 295,366	\$ 341,402
Debt Service	306,068	443,049	512,103
	<u>\$ 382,585</u>	<u>\$ 738,415</u>	<u>\$ 853,505</u>

No assurance provided. See summary of significant assumptions.

**HIGHFIELD METROPOLITAN DISTRICT  
GENERAL FUND  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

1/6/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ 106,866	\$ 135,469	\$ 67,224
REVENUES			
Property taxes	76,517	295,366	341,402
Specific ownership tax	7,806	24,400	27,312
Total revenues	84,323	319,766	368,714
Total funds available	191,189	455,235	435,938
EXPENDITURES			
General and administrative			
Accounting	17,760	18,000	20,000
Audit	4,400	4,400	4,600
County Treasurer's fee	1,151	4,441	5,121
Consulting	-	150	-
Contingency	-	-	6,429
District management	12,000	12,000	12,000
Dues and membership	434	336	500
Election expense	-	1,500	-
Insurance and bonds	2,880	2,946	3,000
Legal services	15,467	13,500	16,000
Miscellaneous	55	100	500
Repay developer advance - principal	-	-	144,511
Repay developer advance - interest	-	-	66,839
Operations and maintenance			
Lot 13A maintenance	-	2,500	2,500
SE Detention maintenance	1,573	2,500	20,000
Total expenditures	55,720	62,373	302,000
TRANSFERS OUT			
Transfers to other fund	-	325,638	120,000
Total expenditures and transfers out requiring appropriation	55,720	388,011	422,000
ENDING FUND BALANCE	\$ 135,469	\$ 67,224	\$ 13,938
EMERGENCY RESERVE	\$ 2,600	\$ 9,600	\$ 11,100
AVAILABLE FOR OPERATIONS	132,869	57,624	2,838
TOTAL RESERVE	\$ 135,469	\$ 67,224	\$ 13,938

No assurance provided. See summary of significant assumptions.

**HIGHFIELD METROPOLITAN DISTRICT  
DEBT SERVICE FUND  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

1/6/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ 243,290	\$ 400,814	\$ 561,257
REVENUES			
Property taxes	306,068	443,049	512,103
Specific ownership tax	31,222	36,600	40,968
Net investment income	2,182	2,600	3,200
Loan refunding	-	-	5,800,763
Total revenues	339,472	482,249	6,357,034
TRANSFERS IN			
Transfers from other funds	99,092	-	-
Total funds available	681,854	883,063	6,918,291
EXPENDITURES			
Debt Service			
Contingency	-	-	24,165
County Treasurer's fee	4,604	6,664	7,682
Loan principal	149,388	144,173	5,978,820
Loan interest	127,048	167,649	171,013
Paying agent fees	-	3,320	3,320
Loan issue costs	-	-	60,000
Total expenditures	281,040	321,806	6,245,000
Total expenditures and transfers out requiring appropriation	281,040	321,806	6,245,000
ENDING FUND BALANCE	\$ 400,814	\$ 561,257	\$ 673,291
DEBT SERVICE RESERVE	\$ 204,093	\$ 204,093	\$ 204,093
TOTAL RESERVE	\$ 204,093	\$ 204,093	\$ 204,093

No assurance provided. See summary of significant assumptions.

**HIGHFIELD METROPOLITAN DISTRICT  
CAPITAL PROJECTS FUND  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

1/6/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ -	\$ 903,459	\$ -
REVENUES			
Net investment income	2,200	2,900	-
Loan issuance	2,262,381	-	-
Total revenues	2,264,581	2,900	-
TRANSFERS IN			
Transfers from other funds	-	325,638	120,000
Total funds available	2,264,581	1,231,997	120,000
EXPENDITURES			
Capital Projects			
Cost of issuance	92,623	-	-
Phase 3 improvements	195,899	1,231,997	120,000
Repay developer advance - principal	917,151	-	-
Repay developer advance - interest	56,357	-	-
Total expenditures	1,262,030	1,231,997	120,000
TRANSFERS OUT			
Transfers to other fund	99,092	-	-
Total expenditures and transfers out requiring appropriation	1,361,122	1,231,997	120,000
ENDING FUND BALANCE	\$ 903,459	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

**HIGHFIELD METROPOLITAN DISTRICT  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

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, sewer 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.

At its formation election held on November 6, 2007, the District's voters authorized general obligation indebtedness of \$15,000,000 for street improvements, \$15,000,000 for parks and recreation, \$15,000,000 for water supply system, \$15,000,000 for sanitary sewer system, \$15,000,000 for storm sewer & drainage, \$15,000,000 for public transportation system, \$15,000,000 for television relay & translation, \$15,000,000 for mosquito control, \$15,000,000 for traffic & safety controls, \$15,000,000 for refinancing of District debt, and \$15,000,000 for general operations & maintenance. The election also approved an annual increase in taxes of \$1,000,000 for general operations and maintenance. Additionally, the District's voters authorized the District to collect, spend, and retain all revenues, other than ad valorem taxes, without regard to the limitations contained in Article X, Section 20 of the Colorado constitution.

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

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

**Revenues**

**Property Taxes**

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

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

**HIGHFIELD METROPOLITAN DISTRICT  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues - (continued)**

**Specific Ownership Taxes**

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes the District's share will be equal to approximately 8% of the property taxes collected by the General Fund.

**Interest Income**

Interest to be earned on the District's debt service funds has been estimated based on an average interest rate of approximately 1.00%.

**Expenditures**

**Administrative and Operating Expenditures**

Operating and administrative expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, accounting, insurance, and meeting expense. Estimated expenditures related to SE Detention maintenance were also included in the General Fund budget.

**County Treasurer's Fees**

County Treasurer's fees have been computed at 1.5% of property tax collections.

**Capital Outlay**

The District anticipates infrastructure improvements as noted in the Capital Projects Fund.

**Debt and Leases**

Principal and interest payments in 2021 are provided based on the debt amortization schedule from the Taxable General Obligation Loan, Series 2014 and 2015 and 2016 and 2017 and 2019 (discussed under Debt and Leases).

**Debt and Leases**

On December 19, 2014, the District issued a Taxable General Obligation Loan, Series 2014, in the principal amount of \$3,250,000 for the purpose of reimbursing the Developer for outstanding advances. The loan has an anticipated maturity date of December 1, 2044, and carries a fixed interest rate of 4.100% through December 19, 2021, at which time the loan will be renewed with a new interest rate determined based on current market value at that time. On December 1, 2016 the interest rate was adjusted to 2.710%.

**HIGHFIELD METROPOLITAN DISTRICT  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases - (continued)**

On October 20, 2015, the District issued \$436,400 additional principal on the existing Taxable General Obligation Loan, Series 2014, for the purpose of reimbursing the Developer for outstanding advances. This addition to the loan also has an anticipated maturity date of December 1, 2044, but carries a fixed interest rate of 3.910% through December 19, 2021, at which time the entire loan will be renewed with a new interest rate determined based on current market value at that time. On December 1, 2016 the interest rate was adjusted to 2.580%.

On September 29, 2016, the District issued \$242,340 additional principal on the existing Taxable General Obligation Loan, Series 2014, for the purpose of reimbursing the Developer for outstanding advances. This addition to the loan also has an anticipated maturity date of December 1, 2044, but carries a fixed interest rate of 3.230% through December 19, 2021, at which time the entire loan will be renewed with a new interest rate determined based on current market value at that time. On December 1, 2016 the interest rate was adjusted to 2.130%.

On August 29, 2017, the District issued \$321,260 additional principal on the existing Taxable General Obligation Loan, Series 2014, for the purpose of reimbursing the Developer for outstanding advances. This addition to the loan also has an anticipated maturity date of December 1, 2044, but carries a fixed interest rate of 2.380% through December 19, 2021, at which time the entire loan will be renewed with a new interest rate determined based on current market value at that time.

On August 9, 2019, the District issued a Taxable General Obligation Loan, Series 2019, in the principal amount of \$2,262,381 for the purpose of reimbursing the Developer for all outstanding advances plus accrued interest as well as funding future capital improvements. This loan has a maturity date of December 19, 2021 and carries a fixed interest rate of 2.800%. At maturity, the entire loan will be renewed with a new interest rate determined based on current market value at that time.

The Taxable General Obligation Loan, Series 2014 and 2015 and 2016 and 2017 and 2019 has a combined principal total of \$6,512,382 with interest payable on June 1 and December 1 annually for each Series and principal payable annually on December 1. The District anticipates refinancing or refunding its remaining debt on December 19, 2021 and repaying all developer advances prior to this date. The District has therefore budgeted a large contingency in the Debt Service Fund for 2021 to cover the costs of refinancing or refunding the debt. The following is an analysis of the District's long-term obligations through the year-ended December 31, 2021:

	Balance at December 31, 2019	Additions	Retirement of Long-Term Obligations	Balance at December 31, 2020	Additions	Retirement of Long-Term Obligations	Balance at December 31, 2021	Due Within One Year
G.O. Limited Tax Loan								
2014/2015/2016/2017/2019	\$ 6,122,993	\$ -	\$ 144,173	\$ 5,978,820	\$ -	\$ 5,978,820	\$ -	\$ -
2021 Refunding of Loan	-	-	-	-	5,800,763	-	5,800,763	-
Developer Advances:								
Operations and Management	144,511	-	-	144,511	-	144,511	-	-
Accrued Interest on Developer Advances:								
Operations and Management	58,152	6,142	-	64,294	2,545	66,839	-	-
Total	\$ 6,325,656	\$ 6,142	\$ 144,173	\$ 6,187,625	\$ 5,803,308	\$ 6,190,170	\$ 5,800,763	\$ -

The District has no operating or capital leases.

**HIGHFIELD METROPOLITAN DISTRICT  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Reserve Funds**

**Emergency Reserve**

The District has provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending as defined under TABOR.

**Debt Service Reserves**

The District maintains a Debt Service Reserve as required with the issuance of the Taxable General Obligation Loan.

**This information is an integral part of the accompanying budget.**



**HIGHFIELD METROPOLITAN DISTRICT  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

	<b>\$4,250,000</b>		
	<b>Taxable General Obligation Loan</b>		
	<b>Series 2014, 2015, 2016, 2017 and 2019</b>		
	<b>Dated December 19, 2014, October 20, 2015,</b>		
	<b>September 29, 2016, August 29, 2017,</b>		
	<b>and August 9, 2019</b>		
	<b>Principal due December 1</b>		
	<b>Interest Rate 4.100% on \$3,250,000;</b>		
	<b>Interest Rate change effective 12/01/16 to 2.710% and</b>		
	<b>3.910% on \$436,400 through December 19, 2021;</b>		
<b>Bonds and</b>	<b>Interest Rate change effective 12/01/16 to 2.580% and</b>		
<b>Interest</b>	<b>3.230% on \$242,340 through December 19, 2021;</b>		
<b>Maturing</b>	<b>Interest Rate change effective 12/01/16 to 2.130% and</b>		
<b>in the</b>	<b>2.380% on \$321,260 through December 19, 2021; and</b>		
	<b>2.80% on \$2,850,000 through December 19, 2021;</b>		
<b>Year Ending</b>	<b>Payable June 1 and December 1</b>		
<b><u>December 31,</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2021	\$ 178,057	\$ 163,208	\$ 341,265
on 12/19/2021	5,800,763	7,805	5,808,568
	<u>\$ 5,978,820</u>	<u>\$ 171,013</u>	<u>\$ 6,149,833</u>

No assurance provided. See summary of significant assumptions.