

**HIGH PRAIRIE FARMS  
METROPOLITAN DISTRICT  
Douglas County, Colorado**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2023**

**HIGH PRAIRIE FARMS METROPOLITAN DISTRICT  
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Dazzio & Associates, PC

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Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
High Prairie Farms Metropolitan District  
Douglas County, Colorado

### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and the major fund of the High Prairie Farms Metropolitan District, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the District, as of December 31, 2023, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Responsibilities of Management for the Financial Statements***

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

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In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

**Required Supplementary Information**

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

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Supplementary Information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Information**

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

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

*Dassio & Associates, P.C.*

March 25, 2024

## **BASIC FINANCIAL STATEMENTS**

**HIGH PRAIRIE FARMS METROPOLITAN DISTRICT  
STATEMENT OF NET POSITION  
DECEMBER 31, 2023**

	Governmental Activities
<b>ASSETS</b>	
Cash and Investments	\$ 1,463,077
Cash and Investments - Restricted	27,200
Accounts Receivable	4,016
Receivable from County Treasurer	4,453
Property Tax Receivable	1,025,581
Capital Assets:	
Capital Assets Not Being Depreciated	2,162,073
Capital Assets Net of Depreciation	889,386
Total Assets	5,575,786
<b>LIABILITIES</b>	
Accounts Payable	48,149
Total Liabilities	48,149
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Property Tax	1,025,581
Total Deferred Inflows of Resources	1,025,581
<b>NET POSITION</b>	
Investment in Capital Assets	3,051,459
Restricted for:	
Emergency Reserve	27,200
Net Position - Unrestricted	1,423,397
Total Net Position	\$ 4,502,056

See accompanying Notes to Basic Financial Statements.



**HIGH PRAIRIE FARMS METROPOLITAN DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUND  
DECEMBER 31, 2023**

	<u>General Fund</u>
<b>ASSETS</b>	
Cash and Investments	\$ 1,463,077
Cash and Investments - Restricted	27,200
Receivable from County Treasurer	4,453
Accounts Receivable	4,016
Property Tax Receivable	<u>1,025,581</u>
Total Assets	<u><u>\$ 2,524,327</u></u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	
<b>LIABILITIES</b>	
Accounts Payable	\$ 48,149
Total Liabilities	<u>48,149</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Property Tax	<u>1,025,581</u>
Total Deferred Inflows of Resources	1,025,581
<b>FUND BALANCES</b>	
Restricted for:	
Emergency Reserves	27,200
Assigned to:	
Working Capital	60,000
Subsequent Year's Expenditures	152,117
Unassigned	
General Government	<u>1,211,280</u>
Total Fund Balances	<u>1,450,597</u>
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>3,051,459</u>
Net Position of Governmental Activities	<u><u>\$ 4,502,056</u></u>

See accompanying Notes to Basic Financial Statements.

**HIGH PRAIRIE FARMS METROPOLITAN DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUND  
YEAR ENDED DECEMBER 31, 2023**

	<u>General Fund</u>
<b>REVENUES</b>	
Property Taxes	\$ 742,546
Specific Ownership Taxes	68,859
Conservation Trust Funds	16,466
Interest Income	76,049
Reimbursed Expenditures	351
Reimbursed Expenditures - Mile High Flood District	3,899
Other Revenue	18,059
HOA Contribution	19,544
Total Revenues	<u>945,773</u>
<b>EXPENDITURES</b>	
General and Administration	181,916
Operations Maintenance - Annual	<u>423,564</u>
Total G&A and O&M - Annual	605,480
Maintenance - As Required	92,494
Erosion Repair and Storm Drainage - As Required	1,200
Capital Outlay	<u>36,530</u>
Total Expenditures	<u>735,704</u>
<b>NET CHANGE IN FUND BALANCE</b>	210,069
Fund Balance - Beginning of Year	<u>1,240,528</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ 1,450,597</u></u>

See accompanying Notes to Basic Financial Statements.

**HIGH PRAIRIE FARMS METROPOLITAN DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES OF THE GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2023**

Net Change in Fund Balances - Total Governmental Funds \$ 210,069

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

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

Capital Outlay	112,928
Depreciation Expense	<u>(117,540)</u>

Changes in Net Position of Governmental Activities \$ 205,457

*See accompanying Notes to Basic Financial Statements.*

**HIGH PRAIRIE FARMS METROPOLITAN DISTRICT  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2023**

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 742,545	\$ 742,546	\$ 1
Specific Ownership Taxes	66,829	68,859	2,030
Conservation Trust Funds	15,000	16,466	1,466
Interest Income	20,000	76,049	56,049
Reimbursed Expenditures	-	351	351
Reimbursed Expenditures - Mile High Flood District	10,000	3,899	(6,101)
Other Revenue	1,000	18,059	17,059
HOA Contribution	-	19,544	19,544
Total Revenues	<u>855,374</u>	<u>945,773</u>	<u>90,399</u>
<b>EXPENDITURES</b>			
General and Administration	247,500	181,916	65,584
Operations Maintenance - Annual	524,000	423,564	100,436
Total G&A and O&M - Annual	<u>771,500</u>	<u>605,480</u>	<u>166,020</u>
Maintenance - As Required	105,500	92,494	13,006
Erosion Repair and Storm Drainage - As Required	85,000	1,200	83,800
Capital Outlay	146,000	36,530	109,470
Total Expenditures	<u>1,108,000</u>	<u>735,704</u>	<u>372,296</u>
<b>NET CHANGE IN FUND BALANCE</b>	(252,626)	210,069	462,695
Fund Balance - Beginning of Year	<u>1,188,834</u>	<u>1,240,528</u>	<u>51,694</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 936,208</u>	<u>\$ 1,450,597</u>	<u>\$ 514,389</u>

See accompanying Notes to Basic Financial Statements.

**HIGH PRAIRIE FARMS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 1 DEFINITION OF REPORTING ENTITY**

High Prairie Farms Metropolitan District (the District), a quasi-municipal corporation, was organized on May 5, 1986, and is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Douglas County, Colorado. The District was established to provide public services, including streets, safety protection, transportation and park and recreational facilities.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements, which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens, and fiscal dependency.

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

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

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The more significant accounting policies of the District are described as follows:

**Government-Wide and Fund Financial Statements**

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. 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.

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.

**HIGH PRAIRIE FARMS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

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

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. Depreciation is computed and recorded as an operating expense. Expenditures for property and equipment are shown as increases in assets.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. Expenditures are recorded when the liability is incurred.

The District reports the following major governmental fund:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government.

**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 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.

**HIGH PRAIRIE FARMS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

**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 generally 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.

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

Building	30 Years
Parks and Playground Equipment	5 to 30 Years
Lighting and Signage	15 Years
Equipment	5 to 10 Years
Mailboxes	10 to 20 Years
Entryway/Monumentation	10 Years

**Fund 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.

**HIGH PRAIRIE FARMS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

**Fund Equity (Continued)**

**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.

*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, 2023, are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and Investments	\$ 1,463,077
Cash and Investments - Restricted	<u>27,200</u>
Total Cash and Investments	<u><u>\$ 1,490,277</u></u>

**HIGH PRAIRIE FARMS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

Cash and investments as of December 31, 2023, consist of the following:

Deposits with Financial Institutions	\$ 42,684
Investments	<u>1,447,593</u>
Total Cash and Investments	<u><u>\$ 1,490,277</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.

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, 2023, the District's cash deposits had a bank and carrying balance of \$42,684.

**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 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
- . Certain international agency securities
- . 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

**HIGH PRAIRIE FARMS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

**Investments (Continued)**

As of December 31, 2023, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted-Average Under 60 Days	\$ 838,551
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted-Average Under 60 Days	<u>609,042</u>
		<u>\$ 1,447,593</u>

**COLOTRUST**

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust currently offers three portfolios – COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE.

COLOTRUST PRIME and COLOTRUST PLUS+, which operate similarly to a money market fund and each share is equal in value to \$1.00, offer daily liquidity. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

COLOTRUST EDGE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$10.00 transactional share price. COLOTRUST EDGE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

A designated custodial bank serves as custodian for the Trust’s portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust’s investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian’s internal records segregate investments owned by the Trust. COLOTRUST PRIME and COLOTRUST PLUS+ are rated AAAM by Standard & Poor’s. COLOTRUST EDGE is rated AAAs/S1 by Fitch Ratings. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

**HIGH PRAIRIE FARMS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

**CSAFE**

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

CSAFE CASH FUND operates similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper, any security allowed under CRS 24-75-601.

CSAFE CORE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$2.00 transactional share price. CSAFE CORE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

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

**HIGH PRAIRIE FARMS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 4 CAPITAL ASSETS**

An analysis of the changes in capital assets for the year ended December 31, 2023 follows:

	Balance at December 31, 2022	Increases	Decreases	Balance at December 31, 2023
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 2,162,073	\$ -	\$ -	\$ 2,162,073
Total Capital Assets, Not Being Depreciated	2,162,073	-	-	2,162,073
Capital Assets, Being Depreciated:				
Building	363,721	-	-	363,721
Lighting and Signage	386,255	83,168	-	469,423
Equipment	374,257	29,760	12,563	391,454
Mailboxes	47,490	-	-	47,490
Entryway/Monumentation	51,170	-	-	51,170
Parks & Recreation	1,976,432	-	-	1,976,432
Total Capital Assets, Being Depreciated	3,199,325	112,928	12,563	3,299,690
Less Accumulated Depreciation for:				
Accumulated Depreciation - Building	163,674	12,124	-	175,798
Accumulated Depreciation - Lighting and Signage	291,415	20,927	-	312,342
Accumulated Depreciation - Equipment	307,141	24,017	12,563	318,595
Accumulated Depreciation - Mailboxes	26,915	3,922	-	30,837
Accumulated Depreciation - Entryway/Monumentation	19,601	5,117	-	24,718
Accumulated Depreciation - Parks & Rec	1,496,581	51,433	-	1,548,014
Total Accumulated Depreciation	2,305,327	117,540	12,563	2,410,304
Total Capital Assets, Being Depreciated, Net	893,998	(4,612)	-	889,386
Governmental Activities Capital Assets, Net	<u>\$ 3,056,071</u>	<u>\$ (4,612)</u>	<u>\$ -</u>	<u>\$ 3,051,459</u>

Depreciation expense was charged to the general government of the District for the year ended December 31, 2023, in the amount of \$117,540.

**NOTE 5 LONG-TERM OBLIGATIONS**

**Authorized Debt**

At December 31, 2023, the District had no authorized, unissued debt.

**HIGH PRAIRIE FARMS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 6 INTERGOVERNMENTAL AGREEMENT**

The District entered into an agreement in 2000 with Denver Southeast Suburban Water and Sanitation District (DSSWS) for the construction of a pumping station and storage facility (joint use facility). Pursuant to the agreement, DSSWS would design and construct the joint use facility and the District will use the storage facility. The agreement also contains provisions and a formula for shared maintenance of the facility. Maintenance costs in the amount of \$0 were incurred during 2023. A payment of \$500 was made by the District in 2023 to DSSWS for use of the facility. The future annual payments are \$500 per year through 2098 and may be adjusted for inflation as defined in the agreement.

The District entered into “Agreement Regarding Final Design, Right-of-Way Acquisition and Construction of Drainage and Flood Control Improvements for Timbers Creek downstream of Fox Sparrow Road, Douglas County” on December 13, 2017 with Mile High Flood District and Douglas County. The agreement is to construct drainage and flood control improvements for Timbers Creek downstream of Fox Sparrow Road. The project costs are not to exceed \$2,630,000. The District has thus far contributed \$175,000 of its \$215,000 share of the project costs. Douglas County’s share \$1,325,000 and Mile High Flood District’s share is \$1,090,000.

**NOTE 7 NET POSITION**

The District has net position consisting of three components – net investment in capital assets, restricted and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balance of bonds that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2023, the District had net investment in capital assets in the amount of \$3,051,459.

The restricted component of net position consists of 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 legislation. The District had restricted net position as of December 31, 2023, amounting to \$27,200.

The District’s unrestricted net position as of December 31, 2023, totaled \$1,423,397.

**HIGH PRAIRIE FARMS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 8 CONSERVATION TRUST FUND**

The Conservation Trust Fund represents the net unspent proceeds received from the State Lottery for the Conservation Trust Fund. Changes in the Conservation Trust Fund are as follows:

Balance - December 31, 2022	\$	-
Entitlement		16,466
Net Investment Income		164
Capital Outlay - Open Space - Tree Spraying		(16,630)
Balance - December 31, 2023	<u>\$</u>	<u>-</u>

**NOTE 9 RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (the Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery, and workers' compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property, 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 10 TAX, SPENDING, AND DEBT LIMITATIONS**

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

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

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

**HIGH PRAIRIE FARMS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

On May 7, 1996, voters approved a revenue change commencing in 1996 and each year thereafter, allowing the District to collect, retain and spend state and local government grants, developer contributions, HB 1006 Revenue, rates, fees, tolls and charges, and any other revenues not derived from ad valorem taxes. In 1996 and each year thereafter; and shall such revenues and any investment income thereon be approved as voter-approved revenue change, without limiting any such year the collection of any other revenues.

On November 5, 1996, voters approved the District to increase taxes by \$20,000 annually, to be produced by a total mill levy not to exceed 12.000 mills certified in 1996 and collected in 1997, and by whatever additional amounts, if any, are raised and collected each year thereafter from a total mill levy not to exceed 12.00 mills, for the maintenance of District landscaping and all other lawful District expenses, and shall such revenues and any investment income be collected and spent as a voter approved revenue change without regard to any spending, revenue raising of other limitation of Article X, Section 20 of the Colorado Constitution; and shall the revenue from such taxes and investment income thereon also be approved for 1997 and each year thereafter as an increased levy under Section 29-1-302, C.R.S.

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**

**HIGH PRAIRIE FARMS METROPOLITAN DISTRICT  
GENERAL FUND  
DETAILED SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2023**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 742,545	\$ 742,546	\$ 1
Specific Ownership Taxes	66,829	68,859	2,030
Conservation Trust Funds	15,000	16,466	1,466
Interest Income	20,000	76,049	56,049
Reimbursed Expenditures	-	351	351
Reimbursed Expenditures - Mile High Flood District	10,000	3,899	(6,101)
Other Revenue	1,000	18,059	17,059
HOA Contribution	-	19,544	19,544
Total Revenues	<u>\$ 855,374</u>	<u>\$ 945,773</u>	<u>\$ 90,399</u>
<b>EXPENDITURES</b>			
General Administration			
Accounting	\$ 65,000	\$ 62,214	\$ 2,786
Auditing	5,000	4,600	400
County Treasurer's fee	11,138	11,151	(13)
Directors' Fees	12,000	4,800	7,200
District Management	37,000	38,098	(1,098)
Dues and Membership	1,000	906	94
Election	5,000	-	5,000
Insurance	20,000	17,429	2,571
Miscellaneous	1,362	691	671
Legal	75,000	39,627	35,373
Records Retention	5,000	-	5,000
Website	5,000	2,400	2,600
Contingency	5,000	-	5,000
Total General and Administration	<u>247,500</u>	<u>181,916</u>	<u>65,584</u>
Operations Maintenance - Annual			
Building Rent	500	500	-
Christmas Lights	10,000	8,182	1,818
Engineering	10,000	-	10,000
Erosion Control	10,000	690	9,310
Maintenance - Contract Services - Miller Land Management	240,000	255,000	(15,000)
Maintenance - Chemical and Fertilizer	5,000	2,004	2,996
Maintenance - Tree Spraying and Maintenance	58,000	62,366	(4,366)
Maintenance - Equipment Repairs and Parts	10,000	7,972	2,028
Maintenance - Wild Fire and Land Mitigation	30,000	9,447	20,553
Maintenance - Fuel and Oil	5,000	5,681	(681)
Maintenance - Other	12,000	3,411	8,589
Maintenance - Flowers	16,000	14,400	1,600
Maintenance - Sprinkler	8,000	2,390	5,610
Maintenance - Weed Spraying	15,000	-	15,000
Maintenance - Trails and Sidewalks	20,000	1,535	18,465
Fence and Sign Maintenance	6,500	135	6,365
Security	5,000	702	4,298
Utilities	8,000	5,545	2,455
Water	55,000	43,604	11,396
Total Operations Maintenance - Annual	<u>524,000</u>	<u>423,564</u>	<u>100,436</u>

**HIGH PRAIRIE FARMS METROPOLITAN DISTRICT  
GENERAL FUND  
DETAILED SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL  
(CONTINUED)  
YEAR ENDED DECEMBER 31, 2023**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>EXPENDITURES (CONTINUED)</b>			
Maintenance - As Required			
Tree Removal	\$ 5,000	\$ -	\$ 5,000
Timbers Creek Maintenance	10,000	3,899	6,101
Entry Way - Beautification	5,000	40,572	(35,572)
Building	2,500	-	2,500
Fence and Sign Maintenance	3,000	1,511	1,489
Reserve Study	5,000	-	5,000
School District Property	10,000	-	10,000
Landscaping	15,000	46,512	(31,512)
Contingency	50,000	-	50,000
Total Maintenance - As Required	<u>105,500</u>	<u>92,494</u>	<u>13,006</u>
Erosion Repair and Storm Drainage - As Required			
Storm Drainage	10,000	-	10,000
Detention Ponds & Storm Drainage	25,000	1,200	23,800
Timbers Creek Drainage Improvements	50,000	-	50,000
Total Erosion Repair and Storm Drainage - As Required	<u>85,000</u>	<u>1,200</u>	<u>83,800</u>
Capital Outlay			
Fountain Pond and Trees	10,000	-	10,000
Equipment Purchase	40,000	29,760	10,240
Playground Equipment Replacement	5,000	-	5,000
Rockwall	25,000	3,740	21,260
Tree Replacement	10,000	2,730	7,270
Maintenance Building	5,000	-	5,000
Fence Replacement	35,000	-	35,000
Entryway Irrigation	10,000	-	10,000
Mailboxes and Landscape	6,000	300	5,700
Total Capital Outlay	<u>146,000</u>	<u>36,530</u>	<u>109,470</u>
Total Expenditures	<u>\$ 1,108,000</u>	<u>\$ 735,704</u>	<u>\$ 372,296</u>

## **OTHER INFORMATION**

**HIGH PRAIRIE FARMS METROPOLITAN DISTRICT  
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED  
DECEMBER 31, 2023**

Year Ended <u>December 31,</u>	Assessed Valuation	Percent Change	Mills Levied	Total Property Taxes		Percent Collected to Levied
				Levied	Collected	
2019	\$ 46,724,920	2.4%	12.000	\$ 560,699	\$ 560,615	99.99 %
2020	54,230,310	16.1%	12.000	650,764	650,384	99.94 %
2021	55,821,410	2.9%	12.000	669,857	667,549	99.66 %
2022	62,237,960	11.5%	12.000	746,856	746,843	100.00 %
2023	61,878,750	-0.6%	12.000	742,545	742,546	100.00 %
Estimated for Year Ending December 31, 2024	\$ 85,465,100	38.1%	12.000	\$ 1,025,581		