

HASKINS STATION METROPOLITAN DISTRICT
Jefferson County, Colorado

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2023

**HASKINS STATION METROPOLITAN DISTRICT
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YEAR ENDED DECEMBER 31, 2023**

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Dazzio & Associates, PC

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Haskins Station Metropolitan District
Jefferson County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund, of the Haskins Station Metropolitan District (the 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 each major fund of the District, as of December 31, 2023, and the respective changes in financial position, and the respective budgetary comparisons for the General Fund and the Special Revenue 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.

Duggio & Associates, P.C.

August 6, 2024

BASIC FINANCIAL STATEMENTS

**HASKINS STATION METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2023**

	Governmental Activities
ASSETS	
Cash and Investments	\$ 69,665
Cash and Investments - Restricted	834,581
Accounts Receivable	15,081
Receivable from Arvada URA	17,199
Receivable from County Treasurer	1,405
Prepaid Expenses	7,000
Property Taxes Receivable	269,930
Capital Assets, Not Being Depreciated	13,167,968
Total Assets	14,382,829
LIABILITIES	
Accounts Payable	48,621
Prepaid Assessments	600
Accrued Interest Payable	42,750
Noncurrent Liabilities:	
Due in One Year	120,000
Due in More Than One Year	19,896,374
Total Liabilities	20,108,345
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	269,930
Total Deferred Inflows of Resources	269,930
NET POSITION	
Restricted For:	
Emergency Reserves	6,600
Unrestricted	(6,002,046)
Total Net Position	\$ (5,995,446)

See accompanying Notes to Basic Financial Statements.

**HASKINS STATION METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023**

		Charges for Services	Program Revenues Operating Grants and Contributions	Capital Grants and Contributions	Net Revenues (Expenses) and Change in Net Position
FUNCTIONS/PROGRAMS					
Governmental Activities:					
General Government	\$ 148,601	\$ 133,914	\$ 30,981	\$ -	\$ 16,294
Interest and Related Costs on Long-Term Debt	980,489	-	-	92,763	(887,726)
	<u>\$ 1,129,090</u>	<u>\$ 133,914</u>	<u>\$ 30,981</u>	<u>\$ 92,763</u>	<u>(871,432)</u>
Total Governmental Activities					
					175,429
GENERAL REVENUES					22,664
Property Taxes					49,385
Specific Ownership Taxes					<u>247,478</u>
Interest Income					(623,954)
Total General Revenues					<u>(5,371,492)</u>
CHANGE IN NET POSITION					
Net Position - Beginning of Year					<u>\$ (5,995,446)</u>
NET POSITION - END OF YEAR					

See accompanying Notes to Basic Financial Statements.

**HASKINS STATION METROPOLITAN DISTRICT
BALANCE SHEET –
GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

	General	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
ASSETS					
Cash and Investments	\$ 5,987	\$ 63,678	\$ -	\$ -	\$ 69,665
Cash and Investments - Restricted	2,500	4,100	827,981	-	834,581
Accounts Receivable	-	15,081	-	-	15,081
Due from Other Funds	9,355	-	-	-	9,355
Receivable from Arvada URA	4,306	-	12,893	-	17,199
Receivable from County Treasurer	352	-	1,053	-	1,405
Prepaid Expenses	-	-	7,000	-	7,000
Property Taxes Receivable	59,778	-	210,152	-	269,930
	<u>\$ 82,278</u>	<u>\$ 82,859</u>	<u>\$ 1,059,079</u>	<u>\$ -</u>	<u>\$ 1,224,216</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 23,021	\$ 21,642	\$ -	\$ 3,958	\$ 48,621
Due to Other Funds	-	-	-	9,355	9,355
Prepaid Assessments	-	600	-	-	600
Total Liabilities	<u>23,021</u>	<u>22,242</u>	<u>-</u>	<u>13,313</u>	<u>58,576</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Property Tax Revenue	59,778	-	210,152	-	269,930
Total Deferred Inflows of Resources	<u>59,778</u>	<u>-</u>	<u>210,152</u>	<u>-</u>	<u>269,930</u>
FUND BALANCES					
Nonspendable:					
Prepaid Expenses	-	-	7,000	-	7,000
Restricted For:					
Emergency Reserves	2,500	4,100	-	-	6,600
Debt Service	-	-	841,927	-	841,927
Committed:					
Operations	-	56,517	-	-	56,517
Unassigned	(3,021)	-	-	(13,313)	(16,334)
Total Fund Balances	<u>(521)</u>	<u>60,617</u>	<u>848,927</u>	<u>(13,313)</u>	<u>895,710</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 82,278</u>	<u>\$ 82,859</u>	<u>\$ 1,059,079</u>	<u>\$ -</u>	

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

Capital assets are reported as assets on the statement of net position but are recorded as expenditures in the funds.

Capital Assets, Not Being Depreciated

13,167,968

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds Payable

(18,117,000)

Unamortized Bond Premium

(183,565)

Bond Interest Payable

(1,308,143)

Developer Advances Payable

(419,165)

Accrued Interest on Developer Advances

(31,251)

Net Position of Governmental Activities

\$ (5,995,446)

See accompanying Notes to Basic Financial Statements.

**HASKINS STATION METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2023**

	General	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
REVENUES					
Property Taxes	\$ 43,921	\$ -	\$ 131,508	\$ -	\$ 175,429
Specific Ownership Taxes	5,674	-	16,990	-	22,664
Property Taxes - URA	30,981	-	92,763	-	123,744
Interest Income	412	-	48,973	-	49,385
Operations Fees - Recurring	-	57,114	-	-	57,114
Operations Fees - Transfer	-	76,800	-	-	76,800
Total Revenues	<u>80,988</u>	<u>133,914</u>	<u>290,234</u>	<u>-</u>	<u>505,136</u>
EXPENDITURES					
General, Administrative, and Operations:					
Accounting	32,418	-	-	1,439	33,857
Audit	5,900	-	-	-	5,900
Billing	-	32,703	-	-	32,703
County Treasurer's Fees	623	-	1,865	-	2,488
Covenant Enforcement	-	9,868	-	-	9,868
District Management	-	25,264	-	-	25,264
Dues	337	-	-	-	337
Election	3,817	-	-	-	3,817
Engineering - Costs Verification	-	-	-	2,929	2,929
Insurance	3,021	-	-	-	3,021
Legal	29,184	-	-	498	29,682
Website	-	600	-	-	600
Debt Service:					
Paying Agent Fees	-	-	7,000	-	7,000
Bond Interest	-	-	514,000	-	514,000
Bond Principal	-	-	20,000	-	20,000
Capital:					
Public Improvements	-	-	-	2,050,343	2,050,343
Total Expenditures	<u>75,300</u>	<u>68,435</u>	<u>542,865</u>	<u>2,055,209</u>	<u>2,741,809</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES					
	5,688	65,479	(252,631)	(2,055,209)	(2,236,673)
OTHER FINANCING SOURCES (USES)					
Bond Issuance	-	-	-	1,757,654	1,757,654
Developer Advances	-	-	-	2,050,343	2,050,343
Repay Developer Advance - Principal	-	-	-	(1,757,654)	(1,757,654)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,050,343</u>	<u>2,050,343</u>
NET CHANGE IN FUND BALANCES					
	5,688	65,479	(252,631)	(4,866)	(186,330)
Fund Balances - Beginning of Year	<u>(6,209)</u>	<u>(4,862)</u>	<u>1,101,558</u>	<u>(8,447)</u>	<u>1,082,040</u>
FUND BALANCES - END OF YEAR	<u>\$ (521)</u>	<u>\$ 60,617</u>	<u>\$ 848,927</u>	<u>\$ (13,313)</u>	<u>\$ 895,710</u>

See accompanying Notes to Basic Financial Statements.

**HASKINS STATION 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, 2023**

Net Changes in Fund Balances - Total Governmental Funds \$ (186,330)

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 any cost of any depreciable asset over the estimated useful life of the asset.

Public Improvements 2,050,343

Long-term debt (e.g., bonds, 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. The net effect of these differences in the treatment of long-term debt and related items is as follows:

Bond Issuance	(1,757,654)
Bond Principal Payment	20,000
Developer Advances	(2,050,343)
Repay Developer Advance - Principal	1,757,654

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.

Amortization of Bond Premium	10,274
Accrued Interest on Developer Advances - Change in Liability	(12,968)
Accrued Interest on Bonds - Change in Liability	<u>(454,930)</u>

Change in Net Position of Governmental Activities \$ (623,954)

**HASKINS STATION 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- Positive (Negative)
REVENUES			
Property Taxes	\$ 44,386	\$ 43,921	\$ (465)
Specific Ownership Taxes	3,107	5,674	2,567
Property Taxes - URA	34,380	30,981	(3,399)
Interest Income	-	412	412
Total Revenues	<u>81,873</u>	<u>80,988</u>	<u>(885)</u>
EXPENDITURES			
General and Administrative:			
Accounting	31,000	32,418	(1,418)
Audit	6,500	5,900	600
Contingency	3,134	-	3,134
County Treasurer's Fees	666	623	43
Dues	700	337	363
Election	4,000	3,817	183
Insurance	3,000	3,021	(21)
Legal	38,000	29,184	8,816
Miscellaneous	2,000	-	2,000
Total Expenditures	<u>89,000</u>	<u>75,300</u>	<u>13,700</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(7,127)	5,688	12,815
OTHER FINANCING SOURCES (USES)			
Developer Advances	8,000	-	(8,000)
Total Other Financing Sources (Uses)	<u>8,000</u>	<u>-</u>	<u>(8,000)</u>
NET CHANGE IN FUND BALANCE	873	5,688	4,815
Fund Balance - Beginning of Year	<u>2,351</u>	<u>(6,209)</u>	<u>(8,560)</u>
FUND BALANCE - END OF YEAR	<u>\$ 3,224</u>	<u>\$ (521)</u>	<u>\$ (3,745)</u>

See accompanying Notes to Basic Financial Statements.

**HASKINS STATION METROPOLITAN DISTRICT
SPECIAL REVENUE FUND –
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

	Original and Final Budget	Actual	Variance- Positive (Negative)
REVENUES			
Operations Fees - Recurring	\$ 84,600	\$ 57,114	\$ (27,486)
Operations Fees - Transfer	85,800	76,800	(9,000)
Total Revenues	170,400	133,914	(36,486)
EXPENDITURES			
General, Administrative, and Operations:			
Billing	8,000	32,703	(24,703)
Contingency	600	-	600
Covenant Enforcement	-	9,868	(9,868)
District Management	16,000	25,264	(9,264)
Electricity	1,000	-	1,000
Insurance	3,000	-	3,000
Landscaping	25,000	-	25,000
Lighting	1,000	-	1,000
Park Equipment	1,000	-	1,000
Repairs and Maintenance	5,000	-	5,000
Snow Removal	20,000	-	20,000
Water	3,000	-	3,000
Website	1,000	600	400
Total Expenditures	84,600	68,435	16,165
NET CHANGE IN FUND BALANCE	85,800	65,479	(20,321)
Fund Balance - Beginning of Year	4,200	(4,862)	(9,062)
FUND BALANCE - END OF YEAR	\$ 90,000	\$ 60,617	\$ (29,383)

See accompanying Notes to Basic Financial Statements.

**HASKINS STATION METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 DEFINITION OF REPORTING ENTITY

Haskins Station Metropolitan District (the District), a quasi-municipal corporation and political subdivision of the state of Colorado, was organized by Order and Decree of the District Court for Jefferson County on January 7, 2019, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District is located within the boundaries of the City of Arvada (City).

The District was established to provide a part or all of the public improvements for the use and benefit of all anticipated constituents and taxpayers of the District. The primary purpose of the District is to finance the construction of public improvements, including water facilities, storm sewer and sanitation facilities, street and roadway improvements, traffic and safety control, parks and recreation, transportation, limited television relay and translator, and mosquito elimination and control.

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. 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.

**HASKINS STATION 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)

The statement of activities demonstrates the degree to which the direct 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 as general revenues.

Separate financial statements are provided for 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. Redemption of bonds is recorded as a reduction in liabilities.

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 and specific ownership taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. The District 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 is 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 Special Revenue Fund is used to account for District fees collected and spent.

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term 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.

**HASKINS STATION METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

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

Pooled Cash and Investments

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

Property Taxes

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

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflow of resources in the year they are levied and measurable. The unearned property tax revenues are recorded as revenue in the year they are available or collected.

Capital Assets

Capital assets, which include infrastructure assets, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Capital assets being constructed which are anticipated to be conveyed to other governmental entities or to be owned by the District are recorded as construction in progress, and are not included in the calculation of the net investment in capital assets component of the net position.

**HASKINS STATION METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interfund Balances

The District reports interfund balances that are representative of lending/borrowing arrangements between funds in the fund financial statements as due to/from other funds. The interfund balances have been eliminated in the government-wide statements except for the residual balances between the governmental activities and business-type activities, which are reported as internal balances.

Amortization

Original Issue Premium

In the government-wide financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

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 assets 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.

District Fees

The District imposes an Operations Fee that is comprised of a recurring payment and a transfer payment. Each residential unit is charged a recurring payment fee of \$564 annually. A transfer payment fee of \$600 is imposed on transfers of a vacant lot or residential unit by an end user, with certain exceptions, and is collected at the time of transfer.

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.

**HASKINS STATION METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Deficits

The District's General Fund and Capital Projects Fund reported deficits in the fund financial statements as of December 31, 2023. Deficits will be eliminated with the receipt of tax revenues in 2024.

**HASKINS STATION METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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	\$ 69,665
Cash and Investments - Restricted	834,581
Total Cash and Investments	\$ 904,246

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

Deposits with Financial Institutions	\$ 86,906
Investments	817,340
Total	\$ 904,246

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.

As of December 31, 2023, the District had a bank balance and a carrying balance of \$86,906.

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.

**HASKINS STATION METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

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, 2023, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Surplus Asset Fund	Weighted-Average	
Trust (CSAFE)	Under 60 Days	\$ 817,340
Total		<u>\$ 817,340</u>

CSAFE

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

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

**HASKINS STATION METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

CSAFE (Continued)

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 AAf/S1 by Fitch Ratings. CSAFE records its investments at amortized cost and the District records its investments in CSAFE at net asset value as determined by amortized cost. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

NOTE 4 CAPITAL ASSETS

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

	Balance - December 31, 2022	Additions	Deletions	Balance - December 31, 2023
Governmental Type Activities:				
Capital Assets Not Being				
Depreciated:				
Construction in Progress	\$ 11,117,625	\$ 2,050,343	\$ -	\$ 13,167,968
Total Capital Assets, Not Being Depreciated	<u>\$ 11,117,625</u>	<u>\$ 2,050,343</u>	<u>\$ -</u>	<u>\$ 13,167,968</u>

Upon completion and acceptance, certain fixed assets will be conveyed to other local governments.

**HASKINS STATION METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 LONG-TERM OBLIGATIONS

The following is an analysis of changes in long-term obligations for the year ended December 31, 2023:

	Balance - December 31, 2022	Additions	Retirements/ Reductions	Balance - December 31, 2023	Due Within One Year
Bonds:					
General Obligation Bonds - Series 2019A	\$ 10,280,000	\$ -	\$ 20,000	\$ 10,260,000	\$ 120,000
General Obligation Bonds - Series 2019B	2,655,000	-	-	2,655,000	-
General Obligation Bonds - Series 2022C(3)	3,444,346	1,757,654	-	5,202,000	-
Bond Premium - Series 2019A	193,839	-	10,274	183,565	-
Accrued Bond Interest - Series 2019B	804,639	302,718	-	1,107,357	-
Accrued Bond Interest - Series 2022C(3)	5,741	152,295	-	158,036	-
	<u>17,383,565</u>	<u>2,212,667</u>	<u>30,274</u>	<u>19,565,958</u>	<u>120,000</u>
Other Debts:					
Developer Advances - Capital	-	2,050,343	1,757,654	292,689	-
Developer Advances - Operations	126,476	-	-	126,476	-
Accrued Interest on Developer Advances - Capital	-	4,747	-	4,747	-
Accrued Interest on Developer Advances - Operations	18,283	8,221	-	26,504	-
	<u>\$ 17,528,324</u>	<u>\$ 4,275,978</u>	<u>\$ 1,787,928</u>	<u>\$ 20,016,374</u>	<u>\$ 120,000</u>

\$10,280,000 Series 2019A Limited Tax (Convertible to Unlimited Tax) General Obligation and Special Revenue Bonds

On November 7, 2019, the District issued \$10,280,000 Limited Tax (Convertible to Unlimited Tax) General Obligation and Special Revenue Bonds, Series 2019A (the Senior Bonds). The Senior Bonds were issued to (a) finance public improvements related to the development; (b) make a payment the City to fund certain regional improvements in accordance with an intergovernmental agreement between the City and the District; (c) fund the Senior Reserve Fund; (d) fund capitalized interest on the Senior Bonds; and (e) pay costs of issuance of the Senior Bonds and certain costs of issuance of the Subordinate Bonds. The Senior Bonds bear interest at a rate of 5.000%, with interest payable on June 1 and December 1, and principal payable on December 1. The Senior Bonds are discharged on December 1, 2059. The Senior Bonds are subject to redemption prior to maturity, at the option of the District as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
December 1, 2024, to November 30, 2025	3.00%
December 1, 2025, to November 30, 2026	2.00
December 1, 2026, to November 30, 2027	1.00
December 1, 2027, and thereafter	0.00

**HASKINS STATION METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

\$10,280,000 Series 2019A Limited Tax (Convertible to Unlimited Tax) General Obligation and Special Revenue Bonds (Continued)

The Senior Bonds are secured by and payable from Senior Pledged Revenue, consisting of monies derived by the District from the following sources, net of any costs of collection: 1) the Senior Required Mill Levy; 2) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Senior Required Mill Levy; 3) the Cooperation Agreement Revenues which means the net incremental property tax revenues paid by Arvada Urban Renewal Authority (AURA) to the District pursuant to the Cooperation Agreement, and 4) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee application as Senior Pledged Revenue. Senior Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to fund the Senior Bond Fund for the relevant Bond Year and pay the Senior Bonds as they come due, and if necessary, an amount sufficient to replenish the Senior Reserve Fund to the amount of the Senior Required Reserve of \$806,500, but (i) not in excess of 50 mills (as adjusted), and (ii) for so long as the Surplus Fund is less than the Maximum Surplus Amount of \$1,028,000, not less than 50 mills as adjusted, or such lesser mill levy which will fund the Senior Bond Fund for the relevant Bond Year and pay the Bonds as they come due. As of December 31, 2023, the maximum adjusted Debt Service Mill Levy was 58.706 mills.

\$2,655,000 Series 2019B₍₃₎ Subordinate Limited Tax General Obligation and Special Revenue Bonds

On November 7, 2019, the District issued \$2,655,000 Subordinate Limited Tax General Obligation and Special Revenue Bonds, Series 2019B₍₃₎ (the Subordinate Bonds). The Subordinate Bonds were issued for the purpose of paying certain public improvements related to the development. The Subordinate Bonds bear interest at a rate of 8.75%, payable to the extent of Subordinate Pledged Revenue available therefor on each December 15, commencing on December 15, 2019. The Subordinate Bonds are discharged on December 15, 2059. The Subordinate Bonds shall mature on December 15, 2049:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
December 1, 2024, to November 30, 2025	3.00%
December 1, 2025, to November 30, 2026	2.00
December 1, 2026, to November 30, 2027	1.00
December 1, 2027, and thereafter	0.00

**HASKINS STATION METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

\$2,655,000 Series 2019B⁽³⁾ Subordinate Limited Tax General Obligation and Special Revenue Bonds (Continued)

The Subordinate Bonds are secured by and payable from Subordinate Pledged Revenue, consisting of monies derived by the District from the following sources, net of any costs of collection: 1) the Subordinate Required Mill Levy; 2) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Subordinate Required Mill Levy; 3) the portion of the Cooperation Agreement Revenues, if any, available after application to the payment of the Senior Bonds 4) the amounts, if any, in the Senior Surplus Fund released to the District pursuant to the Senior Indenture; and 5) any other legally available monies which the District determines, in its absolute discretion, to transfer to the Trustee for application as Subordinate Pledged Revenue. Subordinate Required Mill Levy means an ad valorem mill levy imposed on all taxable property of the District each year in the amount of 50 mills (as adjusted) less the amount of the Senior Bond Mill Levy, or such lesser mill levy which will fund the Subordinate Bond Fund in an amount sufficient to pay all of the principal and interest on the Bonds. As of December 31, 2023, the maximum adjusted Subordinate Required Mill Levy was 58.706 mills. At this time, the schedule of repayments on the Subordinate Bonds is unknown and will be made when funds are available. The balance of compounded and accrued interest on the Subordinate Bonds at December 31, 2023 totaled \$1,107,357.

The District's long-term obligations relating to the Series 2019A Bonds will mature as follows:

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 120,000	\$ 513,000	\$ 633,000
2025	130,000	507,000	637,000
2026	145,000	500,500	645,500
2027	155,000	493,250	648,250
2028	175,000	485,500	660,500
2029-2033	1,095,000	2,282,500	3,377,500
2034-2038	1,605,000	1,960,750	3,565,750
2039-2043	2,230,000	1,500,750	3,730,750
2044-2048	3,070,000	863,000	3,933,000
2049	1,535,000	76,750	1,611,750
Total	<u>\$ 10,260,000</u>	<u>\$ 9,183,000</u>	<u>\$ 19,443,000</u>

**HASKINS STATION METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Junior Subordinate Lien Limited Tax General Obligation Draw Down Bonds, Series 2022C₍₃₎ (the 2022C₍₃₎ Junior Lien Bonds)

The District issued the 2022C₍₃₎ Junior Lien Bonds on December 21, 2022, in the maximum principal amount of up to \$5,202,000. The 2022C₍₃₎ Junior Lien Bonds were issued for the purpose of paying or reimbursing Project Costs and paying costs associated with the issuance of the 2022C₍₃₎ Bonds.

2022C₍₃₎ Junior Lien Bonds Details

The 2022C₍₃₎ Junior Lien Bonds were issued as a single term draw down bond. The principal amount of the 2022C₍₃₎ Junior Lien Bonds at issuance was \$3,444,346 and the maximum principal amount that may be drawn down on the 2022C₍₃₎ Junior Lien Bonds is \$5,202,000. On October 18, 2023, the outstanding principal amount of \$1,757,654 was drawn down on the 2022C₍₃₎ Junior Lien Bonds, leaving no available amount be drawn down in the future.

The 2022C₍₃₎ Junior Lien Bonds bear interest at 4.00% and are payable annually on December 16, beginning on December 16, 2023 from, and to the extent of, Junior Subordinate Lien Pledged Revenue available, if any, pursuant to a mandatory redemption. The 2022C₍₃₎ Junior Lien Bonds mature on December 16, 2059.

To the extent principal of any 2022C₍₃₎ Junior Lien Bond is not paid when due, principal shall remain outstanding until paid, subject to discharge on December 17, 2059. To the extent interest on any 2022C₍₃₎ Junior Lien Bond is not paid when due, such interest shall compound on each interest payment date, at the rate then borne by the 2022C₍₃₎ Junior Lien Bond.

The 2022C₍₃₎ Junior Lien Bonds and interest thereon shall be deemed to be paid, satisfied, and discharged on December 17, 2059, regardless of the principal and interest amounts remaining unpaid.

The 2022C₍₃₎ Junior Lien Bonds may be subject to acceleration pursuant to mandatory redemption provisions as described in the Junior Subordinate Lien Indenture. No assets have been pledged as collateral on the 2022C₍₃₎ Junior Lien Bond.

Events of Default of the 2022C₍₃₎ Junior Lien Bonds

Events of default occur if the District fails to impose the Junior Subordinate Lien Required Mill Levy, or to apply the Junior Subordinate Lien Pledged Revenue as required by the Junior Subordinate Lien Indenture and does not comply with other customary terms and conditions consistent with normal municipal financing as described in the Junior Subordinate Lien Indenture.

Optional Redemption of 2022C₍₃₎ Junior Lien Bonds

The 2022C₍₃₎ Junior Lien Bonds are subject to redemption prior to maturity, at the option of the District on any date, upon payment of par and accrued interest, without redemption premium.

**HASKINS STATION METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Junior Subordinate Lien Limited Tax General Obligation Draw Down Bonds, Series 2022C₍₃₎ (the 2022C₍₃₎ Junior Lien Bonds) (Continued)

Junior Subordinate Lien Pledged Revenue

The 2022C₍₃₎ Junior Lien Bonds are secured by and payable solely from and to the extent of Junior Subordinate Lien Pledged Revenue derived by the District from the following sources: (a) the ad valorem tax revenue derived by the District from imposition of the Junior Subordinate Lien Required Mill Levy, net of the fees of the County Treasurer and any tax refunds or abatements by or on behalf of the County; (b) the portion of the Specific Ownership Tax revenue collected as a result of the imposition of the Junior Subordinate Lien Required Mill Levy; (c) the portion of the Cooperation agreement Revenues, if any, available after application to the payment of Senior Obligations and Subordinate Obligations; (d) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Junior Subordinate Lien Pledged Revenue.

Junior Subordinate Lien Required Mill Levy

The Junior Subordinate Lien Required Mill Levy is an ad valorem mill levy imposed upon all taxable property of the District each year in the amount of 50 mills (as adjusted for changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut, or abatement on or after January 1, 2017), less the number of mills equal to the Senior Required Mill Levy, the Subordinate Required Mill Levy, or such lesser mill levy which will fund the Junior Subordinate Lien Bond Fund in an amount sufficient to pay all of the principal of, premium, if any, and interest on the Bonds in full.

If the sum of the Senior Required Mill Levy and the Subordinate Required Mill Levy equals or exceeds 50 mills (as adjusted) in any year, the Junior Subordinate Lien Required Mill Levy for that year is to be zero.

2022C₍₃₎ Junior Lien Bonds Debt Service

The annual debt service requirements of the 2022C₍₃₎ Junior Lien Bonds are not currently determinable since they are payable only to the extent of Junior Subordinate Lien Pledged Revenue available.

Debt Authorization

On November 6, 2018, the District's voters authorized total indebtedness of \$360,000,000 for the purpose of financing public improvements, \$36,000,000 for operations and maintenance, \$36,000,000 for intergovernmental agreements, and \$360,000,000 for debt refunding. Pursuant to the Service Plan, the total debt the District is permitted to issue shall not exceed \$36,000,000. The maximum debt mill levy is 50.000 mills, as adjusted for changes in the assessment ratio, which resulted in an increase to 58.706 mills.

**HASKINS STATION METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Debt Authorization (Continued)

At December 31, 2023, the District had authorized but unissued general obligation indebtedness in the following amounts for the following purposes:

	November 6, 2018 Authorization	Authorization Used Series 2019A	Authorization Used Series 2019B ₍₃₎	Authorization Used Series 2022C ₍₃₎	Remaining at December 31, 2023
Public Improvements	\$ 360,000,000	\$ 10,280,000	\$ 2,655,000	\$ 5,202,000	\$ 341,863,000
Operations and Maintenance	36,000,000	-	-	-	36,000,000
Intergovernmental Agreements	36,000,000	-	-	-	36,000,000
Refunding	360,000,000	-	-	-	360,000,000
Special Assessment for Certain Public Improvements	36,000,000	-	-	-	36,000,000
Private Agreements	36,000,000	-	-	-	36,000,000
Total	<u>\$ 864,000,000</u>	<u>\$ 10,280,000</u>	<u>\$ 2,655,000</u>	<u>\$ 5,202,000</u>	<u>\$ 845,863,000</u>

NOTE 6 NET POSITION

The District's restricted net position as of December 31, 2023 is as follows:

	<u>Governmental Activities</u>
Restricted Net Position:	
Emergency Reserves	<u>\$ 6,600</u>
Total Restricted Net Position	<u>\$ 6,600</u>

The District has a deficit in unrestricted net position. The deficit at December 31, 2023 was primarily due to interest paid and related costs on long-term debts.

NOTE 7 AGREEMENTS

Funding and Reimbursement Agreement

On February 13, 2019, the District and the Developer entered into a Funding and Reimbursement Agreement (Operations and Maintenance) (the O&M Agreement), as amended on October 19, 2022. Pursuant to the O&M Agreement, the District and Developer acknowledge that the District does not currently possess sufficient funds to pay for its operations and maintenance costs, and the Developer has stated its willingness to loan funds to the District for this purpose, on the condition that the District agrees to repay such loans plus accrued interest.

Pursuant to the O&M Agreement, the Developer agrees to loan the District an amount not to exceed \$500,000 in a series of installments through December 31, 2023. With respect to such loan advances prior to the issuance of an O&M Reimbursement Obligation, the interest rate shall be 6.5% per annum, simple interest. The repayment of amounts due under this agreement is subject to annual appropriation by the District. The Maximum Reimbursement Obligation Repayment Term is forty years from the execution of the O&M Agreement (February 13, 2059).

As of December 31, 2023, \$126,476 was outstanding with accrued interest of \$26,504.

**HASKINS STATION METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 7 AGREEMENTS (CONTINUED)

Public Improvements Acquisition and Reimbursement Agreement

On September 4, 2019, the Public Improvements Acquisition and Reimbursement Agreement (the Public Improvements Agreement) was entered into between the District and the Developer. Under the terms of the Public Improvements Agreement, the Developer agrees to finance, construct, and install certain public improvements for the benefit of the District, and the District agrees to reimburse the Developer for such costs, with interest at 8% per annum. After twenty years from the execution of the Public Improvements Agreement (September 4, 2039), any obligation of the District to reimburse the Developer is forgiven. As of December 31, 2023, \$292,689 was outstanding with accrued interest of \$4,747.

Intergovernmental Agreement with the City of Arvada

On February 13, 2019, the District entered into an intergovernmental agreement with the City (the City IGA). The City IGA provides that the District will fund up to \$2,255,213 (the City Payment), toward regionally significant improvements located at 52nd Avenue and Ward Road (the Regional Improvements). The City payment is required to be paid from the net proceeds of the Bonds. On December 2, 2019, the City and the District entered into an amended and restated City IGA subsequent to the issuance of the Bonds which confirms the City Payment amount of \$2,255,213, describes more particularly the City's obligation with respect to construction of the Regional Improvements, and imposes certain obligations on the District with respect to the operation and maintenance standards of the District Park. The City Payment was made on January 13, 2020.

The City IGA also imposes a limit on total debt that the District may issue (which amount is not to exceed \$36,000,000), and a Maximum Debt Mill Levy of 50.000 mills (subject to adjustment as set forth therein), both of which are consistent with the limitations set forth in the Service Plan. The City IGA also requires the District to file an annual report with the City.

Cooperation Agreement

The District and the Arvada Urban Renewal Authority (AURA) entered into a Cooperation Agreement on June 6, 2019, as revised and restated on August 7, 2019 (the Cooperation Agreement). The Cooperation Agreement recognizes that the property in the District is within the Ralston Fields Urban Renewal Area. Pursuant to State law, property tax revenue generated by the District's mill levy on incremental assessed valuation is payable to AURA for a period of 25 years from the date of adoption of the urban renewal plan. AURA adopted the urban renewal plan on September 5, 2003; accordingly, the tax increment period expires in approximately 2028.

Pursuant to the Cooperation Agreement, AURA agrees to remit all revenues collected from the District's mill levy upon the tax increment portion of the District's assessed valuation back to the District, after deducting the \$3,000 AURA Administrative Fee (which fee commences on August 1, 2022).

**HASKINS STATION METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 8 RELATED PARTIES

The Developer of the property which constitutes the District is SSM Ridge, LLC. All members of the Board of Directors are employees, owners or otherwise associated with the Developer, and may have conflicts of interest in dealing with the District.

NOTE 9 RISK MANAGEMENT

Except as provided in the Colorado Governmental Immunity Act, §24-10-101, et seq., C.R.S., the District may be exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

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

The District pays annual premiums to the Pool for liability, property, workers' compensation, and public officials' liability 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, 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.

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.

**HASKINS STATION METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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

On November 6, 2018, the District's voters approved for an annual increase in taxes of \$5,000,000 for general operations and maintenance without limitation of rate. This election question allowed the District to collect and spend the additional revenue without regard to any spending, revenue raising, or other limitations contained within TABOR.

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

**HASKINS STATION METROPOLITAN DISTRICT
DEBT SERVICE FUND –
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

	Original and Final Budget	Actual	Variance - Positive (Negative)
REVENUES			
Property Taxes	\$ 132,901	\$ 131,508	\$ (1,393)
Specific Ownership Taxes	9,303	16,990	7,687
Property Taxes - URA	102,944	92,763	(10,181)
Interest Income	30,000	48,973	18,973
Total Revenues	<u>275,148</u>	<u>290,234</u>	<u>15,086</u>
EXPENDITURES			
County Treasurer's Fees	1,994	1,865	129
Paying Agent Fees	7,000	7,000	-
Bond Interest	514,000	514,000	-
Bond Principal	20,000	20,000	-
Contingency	2,006	-	2,006
Total Expenditures	<u>545,000</u>	<u>542,865</u>	<u>2,135</u>
NET CHANGE IN FUND BALANCE	(269,852)	(252,631)	17,221
Fund Balance - Beginning of Year	<u>1,111,954</u>	<u>1,101,558</u>	<u>(10,396)</u>
FUND BALANCE - END OF YEAR	<u>\$ 842,102</u>	<u>\$ 848,927</u>	<u>\$ 6,825</u>

**HASKINS STATION METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND –
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

	Original and Final Budget	Actual	Variance- Positive (Negative)
REVENUES			
Interest Income	\$ 100	\$ -	\$ (100)
Total Revenues	<u>100</u>	<u>-</u>	<u>(100)</u>
EXPENDITURES			
Accounting	6,000	1,439	4,561
Bond Issue Costs	160,000	-	160,000
Legal	6,000	498	5,502
Engineering - Costs Verification	8,000	2,929	5,071
Public Improvements	5,000,000	2,050,343	2,949,657
Total Expenditures	<u>5,180,000</u>	<u>2,055,209</u>	<u>3,124,791</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(5,179,900)	(2,055,209)	3,124,691
OTHER FINANCING SOURCES (USES)			
Bond Issuance	5,000,000	1,757,654	(3,242,346)
Developer Advance	5,000,000	2,050,343	(2,949,657)
Repay Developer Advance - Principal	(4,820,100)	(1,757,654)	3,062,446
Total Other Financing Sources (Uses)	<u>5,179,900</u>	<u>2,050,343</u>	<u>(3,129,557)</u>
NET CHANGE IN FUND BALANCE	-	(4,866)	(4,866)
Fund Balance - Beginning of Year	<u>-</u>	<u>(8,447)</u>	<u>(8,447)</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ (13,313)</u>	<u>\$ (13,313)</u>

OTHER INFORMATION

**HASKINS STATION METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2023**

\$10,280,000 Limited Tax (Convertible to Unlimited Tax) General Obligation and Special Revenue Bonds Series 2019A Dated November 7, 2019 Interest Rate 5.000%			
<u>Bonds and Interest Maturing in the Year Ending December 31,</u>	<u>Interest Due June 1, Principal and Interest Due December 1</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 120,000	\$ 513,000	\$ 633,000
2025	130,000	507,000	637,000
2026	145,000	500,500	645,500
2027	155,000	493,250	648,250
2028	175,000	485,500	660,500
2029	185,000	476,750	661,750
2030	205,000	467,500	672,500
2031	215,000	457,250	672,250
2032	240,000	446,500	686,500
2033	250,000	434,500	684,500
2034	280,000	422,000	702,000
2035	295,000	408,000	703,000
2036	320,000	393,250	713,250
2037	340,000	377,250	717,250
2038	370,000	360,250	730,250
2039	385,000	341,750	726,750
2040	420,000	322,500	742,500
2041	440,000	301,500	741,500
2042	480,000	279,500	759,500
2043	505,000	255,500	760,500
2044	545,000	230,250	775,250
2045	570,000	203,000	773,000
2046	615,000	174,500	789,500
2047	645,000	143,750	788,750
2048	695,000	111,500	806,500
2049	1,535,000	76,750	1,611,750
Total	<u>\$ 10,260,000</u>	<u>\$ 9,183,000</u>	<u>\$ 19,443,000</u>

**HASKINS STATION METROPOLITAN DISTRICT
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2023**

Year Ended December 31,	Prior Year Net Assessed Valuation for Current Year Property Tax Levy	Mills Levied		Total Property Taxes		Percentage Collected to Levied
		General	Debt Service	Levied	Collected	
2019	\$ -	0.000	0.000	\$ -	\$ -	- %
2020	1,415	15.000	55.664	100	100	100.00
2021	1,189,513	15.000	55.664	84,056	82,882	98.60
2022	1,958,312	16.699	55.664	141,709	120,917	85.33
2023	2,657,975	16.699	50.001	177,287	175,429	98.95
Estimated for the Year Ending December 31,						
2024	\$ 3,579,739	16.699	58.706	\$ 269,930		

NOTE: Property taxes collected in any one year include collection of delinquent property taxes assessed in prior years, as well as reductions for property tax refunds or abatements, if applicable. Information received from the County Treasurer does not permit identification of specific year of assessment.