

**HARVEST JUNCTION METROPOLITAN DISTRICT
Boulder County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2024

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Dazzio & Associates, PC

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Harvest Junction Metropolitan District
Boulder County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Harvest Junction Metropolitan District (the District), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the 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, 2024, 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.

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.

April 8, 2025

BASIC FINANCIAL STATEMENTS

**HARVEST JUNCTION METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2024**

	Governmental Activities
ASSETS	
Cash and Investments	\$ 244,468
Cash and Investments - Restricted	21,131
Receivable from County Treasurer	3,815
Property Tax Receivable	813,587
Total Assets	1,083,001
LIABILITIES	
Accounts Payable	14,358
Accrued Interest	20,244
Noncurrent Liabilities:	
Due Within One Year	453,000
Due in More Than One Year	5,114,000
Total Liabilities	5,601,602
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	813,587
Total Deferred Inflows of Resources	813,587
NET POSITION	
Restricted for:	
Emergency Reserve	7,900
Unrestricted	(5,340,088)
Total Net Position	\$ (5,332,188)

See accompanying Notes to Basic Financial Statements.

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

FUNCTIONS/PROGRAMS	Program Revenues			Net Revenues (Expenses) and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government:					
Governmental Activities:					
General Government	\$ 69,904	\$ -	\$ -	\$ -	\$ (69,904)
Interest on Long-Term Debt and Related Costs	563,868	-	-	-	(563,868)
Total Governmental Activities	\$ 633,772	\$ -	\$ -	\$ -	(633,772)
GENERAL REVENUES					
Property Taxes					841,271
Specific Ownership Taxes					35,123
Interest Income					86,014
Other Revenue					7,552
Total General Revenues and Transfers					969,960
CHANGES IN NET POSITION					336,188
Net Position - Beginning of Year					(5,668,376)
NET POSITION - END OF YEAR					\$ (5,332,188)

See accompanying Notes to Basic Financial Statements.

**HARVEST JUNCTION METROPOLITAN DISTRICT
BALANCE SHEET –
GOVERNMENTAL FUNDS
DECEMBER 31, 2024**

	General	Debt Service	Total Governmental Funds
ASSETS			
Cash and Investments	\$ 244,468	\$ -	\$ 244,468
Cash and Investments - Restricted	7,900	13,231	21,131
Receivable from County Treasurer	224	3,591	3,815
Property Tax Receivable	130,254	683,333	813,587
Total Assets	\$ 382,846	\$ 700,155	\$ 1,083,001
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 9,358	\$ 5,000	\$ 14,358
Total Liabilities	9,358	5,000	14,358
DEFERRED INFLOWS OF RESOURCES			
Deferred Property Tax	130,254	683,333	813,587
Total Deferred Inflows of Resources	130,254	683,333	813,587
FUND BALANCES			
Restricted for:			
Emergency Reserves	7,900	-	7,900
Debt Service	-	11,822	11,822
Unassigned	235,334	-	235,334
Total Fund Balances	243,234	11,822	255,056
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 382,846	\$ 700,155	

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

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

Accrued Interest	(20,244)
Loans Payable	(5,567,000)

Net Position of Governmental Activities	\$ (5,332,188)
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**HARVEST JUNCTION METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2024**

	General	Debt Service	Total Governmental Funds
REVENUES			
Property Taxes	\$ 217,570	\$ 623,701	\$ 841,271
Specific Ownership Taxes	-	35,123	35,123
Interest Income	39,594	46,420	86,014
Other Revenue	7,552	-	7,552
Total Revenues	264,716	705,244	969,960
EXPENDITURES			
Current:			
Accounting	25,067	-	25,067
Auditing	5,500	-	5,500
County Treasurer's Fee	3,267	9,366	12,633
Directors' Fees	1,600	-	1,600
Dues And Membership	845	-	845
Insurance	2,671	-	2,671
Legal	30,628	-	30,628
Miscellaneous	326	-	326
Debt Service:			
Bond Interest	-	356,854	356,854
Bond Principal	-	350,000	350,000
Loan Issue Costs	-	165,500	165,500
Paying Agent Fees	-	2,000	2,000
Total Expenditures	69,904	883,720	953,624
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	194,812	(178,476)	16,336
OTHER FINANCING SOURCES (USES)			
Loan Issuance Proceeds	-	5,567,000	5,567,000
Payment To Refunding Bond Escrow	-	(6,536,025)	(6,536,025)
Transfers In (Out)	(700,000)	700,000	-
Total Other Financing Uses	(700,000)	(269,025)	(969,025)
NET CHANGE IN FUND BALANCES	(505,188)	(447,501)	(952,689)
Fund Balances - Beginning of Year	748,422	459,323	1,207,745
FUND BALANCES - END OF YEAR	\$ 243,234	\$ 11,822	\$ 255,056

See accompanying Notes to Basic Financial Statements.

**HARVEST JUNCTION METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024**

Net Change in Fund Balances - Total Governmental Funds \$ (952,689)

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

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds. Neither transaction, however, has any effect on net position.

Loan Issuance	(5,567,000)
Repayment of 2012 Bond Principal	6,870,000

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the fund financial statements.

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued Interest Payable - Change in Liability	9,494
Amortization Expense	<u>(23,617)</u>

Changes in Net Position of Governmental Activities \$ 336,188

**HARVEST JUNCTION METROPOLITAN DISTRICT
GENERAL FUND –
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2024**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
REVENUES				
Property Taxes	\$ 217,874	\$ 217,874	\$ 217,570	\$ (304)
Interest Income	36,853	36,853	39,594	2,741
Other Revenue	-	-	7,552	7,552
Total Revenues	<u>254,727</u>	<u>254,727</u>	<u>264,716</u>	<u>9,989</u>
EXPENDITURES				
Accounting	24,500	20,500	25,067	(4,567)
Auditing	5,250	5,500	5,500	-
Contingency	11,732	18,182	-	18,182
County Treasurer's Fee	3,268	3,268	3,267	1
Directors' Fees	-	-	1,600	(1,600)
District Management	27,500	27,500	-	27,500
Dues And Membership	750	845	845	-
Pond Maintenance	30,000	-	-	-
Insurance	3,000	3,000	2,671	329
Legal	24,000	21,000	30,628	(9,628)
Miscellaneous	-	205	326	(121)
Total Expenditures	<u>130,000</u>	<u>100,000</u>	<u>69,904</u>	<u>30,096</u>
EXCESS OF REVENUES OVER EXPENDITURES	124,727	154,727	194,812	40,085
OTHER FINANCING SOURCES (USES)				
Transfers To Other Fund	-	(700,000)	(700,000)	-
Total Other Financing Uses	<u>-</u>	<u>(700,000)</u>	<u>(700,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	124,727	(545,273)	(505,188)	40,085
Fund Balance - Beginning of Year	<u>693,132</u>	<u>748,422</u>	<u>748,422</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 817,859</u>	<u>\$ 203,149</u>	<u>\$ 243,234</u>	<u>\$ 40,085</u>

See accompanying Notes to Basic Financial Statements.

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

NOTE 1 DEFINITION OF REPORTING ENTITY

Harvest Junction 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 Boulder County in November 2005, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located entirely within the City of Longmont, Boulder County, Colorado. The District was established to provide financing for the design, acquisition, installation, and construction of water, sanitation, streets, safety protection, park and recreation facilities, and mosquito 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's primary purpose is to maintain storm drainage ponds and repay its outstanding debt. On July 16, 2024, the District accepted ownership and maintenance responsibilities of a storm drainage pond described as Outlot D, Harvest Junction, North. Outlot D has a nominal value, and no capital asset was recorded.

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

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

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

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. Both statements distinguish between governmental activities, which normally are supported by taxes and intergovernmental revenues, which rely to a significant extent on fees and charges for support.

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.

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. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation, if any, is computed and recorded as an operating expense. Expenditures for property and equipment are shown as increases in assets and redemption of bonds and notes are recorded as a reduction in liabilities.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)**

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 and specific ownership taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. 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 Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of the governmental funds.

Budgets

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

The District amended its annual budget for the year ended December 31, 2024.

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.

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

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.

Amortization

Original Issue Discount

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

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.

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.

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

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.

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

NOTE 3 CASH AND INVESTMENTS

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

Statement of Net Position:

Cash and Investments	\$ 244,468
Cash and Investments - Restricted	21,131
Total Cash and Investments	\$ 265,599

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

Deposits with Financial Institutions	\$ 16,970
Investments	248,629
Total Cash and Investments	\$ 265,599

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.

On December 31, 2024, the District's cash deposits had a bank balance and a carrying balance of \$16,970.

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.

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

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- . Obligations of the United States, certain U.S. government agency securities, and securities of the World Bank
- . 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

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

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted-Average Under 60 Days	\$ 248,629
		<u>\$ 248,629</u>

CSAFE

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

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

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

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

CSAFE (Continued)

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

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

NOTE 4 LONG-TERM OBLIGATIONS

The District’s outstanding long-term obligations on December 31, 2024, were as follows:

	Balance at December 31, 2023	Additions	Reductions	Balance at December 31, 2024	Due Within One Year
Bonds Payable:					
General Obligation Bonds					
G.O Refunding and Improvement Bond Series 2012	\$ 6,870,000	\$ -	\$ 6,870,000	\$ -	\$ -
Subtotal Bonds Payable	<u>6,870,000</u>	<u>-</u>	<u>6,870,000</u>	<u>-</u>	<u>-</u>
Notes/Loans/Bonds from Direct Borrowings and Direct Placements					
Series 2024 Loan Payable	-	5,567,000	-	5,567,000	453,000
	<u>-</u>	<u>5,567,000</u>	<u>-</u>	<u>5,567,000</u>	<u>453,000</u>
Bond Premium/Discount:					
G.O Refunding and Improvement Bond Series 2012	(23,617)	-	23,617	-	-
Subtotal Bond Premium / Discount	<u>(23,617)</u>	<u>-</u>	<u>23,617</u>	<u>-</u>	<u>-</u>
 Total Long-Term Obligations	 <u>\$ 6,846,383</u>	 <u>\$ 5,567,000</u>	 <u>\$ 6,893,617</u>	 <u>\$ 5,567,000</u>	 <u>\$ 453,000</u>

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

NOTE 4 LONG – TERM OBLIGATIONS (CONTINUED)

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

\$8,100,000 General Obligation Refunding and Improvement Bonds, Series 2012, Dated July 2, 2012

On July 2, 2012, the District issued \$8,100,000 in General Obligation Refunding and Improvement Bonds to: 1) finance a portion of the costs of certain facilities, 2) current refund the District's outstanding Series 2006 Bonds; and 3) pay the costs of issuance of the 2012 bonds. The bonds consist of term bonds issued in the amounts of \$4,070,000, due December 1, 2030, \$1,005,000 due December 1, 2032, \$3,025,000 due December 1, 2037, with mandatory redemption principal payments starting at \$285,000 on December 1, 2020, and increasing annually thereafter. Interest of 5.000% for the 2030 term; 5.200% for the 2032 term; 5.375% for the 2037 term is payable semi-annually on June 1 and December 1 of each year.

The Bonds are subject to redemption prior to maturity, at the option of the District, on any date on or after December 1, 2022, at a redemption price equal to the principal amount thereof, plus accrued and unpaid interest to the redemption date, if any, without premium.

The Bonds are secured by and payable from the Pledged Revenue consisting of monies derived by the District from the following sources, net of any collection costs: 1) the Required Mill Levy, 2) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Required Mill Levy, and 3) any other legally available monies which the District determines to be treated as Pledged Revenue.

Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to pay the principal, premium if any, and interest on the Bonds as the same become due and payable and to make up any deficiencies in the Surplus Fund.

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

NOTE 4 LONG – TERM OBLIGATIONS (CONTINUED)

\$5,567,000 Limited Tax General Obligation Refunding Loan, Series 2024, Dated December 18, 2024

On December 18, 2024, the District issued \$5,567,000 in a Tax-Free Loan to refund the District's outstanding Series 2012 Bonds and pay the costs of issuance of the 2024 Loan. The Series 2024 Loan reduced the interest rate from 5.26% to 4.58% and eliminated the reserve fund requirement. The new interest rate of 4.58% is calculated on a 360-day basis and is due semi-annually on June 1st and December 1st, beginning June 1, 2025, with principal payments due annually on December 1st. Optional principal prepayments are allowed, either in whole or in part, but are subject to yield maintenance fees if made before December 18, 2031, as described in the loan agreement. After this date, no yield maintenance fees will be due.

The Series 2024 Loan is secured by and payable from the Pledged Revenue consisting of monies derived by the District from the following sources, net of any collection costs: 1) the Required Mill Levy, 2) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Required Mill Levy, and 3) any other legally available monies which the District determines to be treated as Pledged Revenue.

Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to pay the principal, premium if any, and interest on the Bonds as the same become due and payable.

In the event any amount of principal or interest on the Loan remains unpaid after the application of all Pledged Revenue available therefor on December 1, 2044, the Loan shall be deemed discharged and terminated and Lender will have no recourse to the District or any property of the District for the payment of any amount of principal of or interest on the Loan remaining unpaid.

The annual obligations related to the long-term debt and maturity are as follows:

Year Ending <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 453,000	\$ 242,928	\$ 695,928
2026	461,000	234,221	695,221
2027	461,000	213,107	674,107
2028	469,000	191,994	660,994
2029	490,000	170,513	660,513
2030-2035	3,233,000	500,228	3,733,228
Total	<u>\$ 5,567,000</u>	<u>\$ 1,552,992</u>	<u>\$ 7,119,992</u>

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

NOTE 4 LONG – TERM OBLIGATIONS (CONTINUED)

Authorized Debt

On November 1, 2005 and November 4, 2014, a majority of the qualified electors of the District who voted in the election authorized the issuance of indebtedness in an amount not to exceed \$39,100,000 and \$104,000,000, respectively, at an interest rate not to exceed 18% per annum.

	Authorized November 1, 2005 Election	Authorized November 4, 2014 Election	Authorization Used	Authorization Remaining
Street Improvement, Traffic, and Safety Controls	\$ 5,500,000	\$ 13,000,000	\$ 5,301,263	\$ 13,198,737
Water Supply System	1,500,000	13,000,000	1,500,000	13,000,000
Storm and Sanitary System	5,100,000	13,000,000	3,115,737	14,984,263
Parks and Recreation Facilities	800,000	13,000,000	-	13,800,000
Mosquito Control	100,000	13,000,000	-	13,100,000
Intergovernmental Agreements	13,000,000	13,000,000	-	26,000,000
Refunding	13,000,000	13,000,000	13,000,000	13,000,000
Operation and Maintenance	100,000	13,000,000	-	13,100,000
Total	<u>\$ 39,100,000</u>	<u>\$ 104,000,000</u>	<u>\$ 22,917,000</u>	<u>\$ 120,183,000</u>

Per the Service Plan, the District is limited to issuing \$13,000,000 in debt, not including refundings. The Second Amendment to the Service Plan states that the mill levy for debt service and operations and maintenance the District is permitted to impose is unlimited. It is estimated that a total mill levy of 30 mills will produce revenue sufficient for the repayment of bonds or other obligations and operations and maintenance expenses.

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

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

NOTE 5 NET POSITION

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

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

	Governmental Activities
Restricted Net Position:	
Emergencies	\$ 7,900
Total Restricted Net Position	\$ 7,900

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

NOTE 6 INTERFUND AND OPERATING TRANSFERS

The transfer from the General Fund to the Debt Service Fund was the related to the refunding of the series 2012 bonds.

NOTE 7 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 the past fiscal year.

The District pays annual premiums to the Pool for liability, property 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.

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

NOTE 8 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.

On November 1, 2005, District voters passed an election question to increase property taxes \$100,000 annually to pay the District's operational and maintenance costs, without regard to any limitations under TABOR.

On November 4, 2014, District voters passed an election question to increase property taxes \$1,000,000 annually to pay the District's operational and maintenance costs, without regard to any limitations under TABOR.

The District's management believes it is in compliance with 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 require judicial interpretation.

SUPPLEMENTARY INFORMATION

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

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 624,572	\$ 624,572	\$ 623,701	\$ (871)
Specific Ownership Taxes	33,698	33,980	35,123	1,143
Interest Income	29,596	40,000	46,420	6,420
Total Revenues	<u>687,866</u>	<u>698,552</u>	<u>705,244</u>	<u>6,692</u>
EXPENDITURES				
County Treasurer's Fee	9,369	9,369	9,366	3
Paying Agent Fees	3,500	2,000	2,000	-
Bond Interest	356,854	356,854	356,854	-
Bond Principal	350,000	350,000	350,000	-
Loan Issue Costs	-	180,000	165,500	14,500
Contingency	2,277	24,652	-	24,652
Total Expenditures	<u>722,000</u>	<u>922,875</u>	<u>883,720</u>	<u>39,155</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(34,134)	(224,323)	(178,476)	45,847
OTHER FINANCING SOURCES (USES)				
Loan Issuance Proceeds	-	5,585,000	5,567,000	(18,000)
Transfers From Other Funds	-	700,000	700,000	-
Payment To Refunding Bond Escrow	-	(6,520,000)	(6,536,025)	(16,025)
Total Other Financing Uses	<u>-</u>	<u>(235,000)</u>	<u>(269,025)</u>	<u>(34,025)</u>
NET CHANGE IN FUND BALANCE	(34,134)	(459,323)	(447,501)	11,822
Fund Balance - Beginning of Year	<u>452,970</u>	<u>459,323</u>	<u>459,323</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 418,836</u>	<u>\$ -</u>	<u>\$ 11,822</u>	<u>\$ 11,822</u>

OTHER INFORMATION

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

	\$5,567,000 Limited Tax General Obligation Refunding Loan Series 2024, Dated December 18, 2024 Interest Rate Fixed 4.58% Interest Payable June 1 and December 1 Principal Payable December 1		
Bonds/Loans and Interest Maturing in the Year Ending <u>December 31,</u>	Principal	Interest	Total
2025	\$ 453,000	\$ 242,928	\$ 695,928
2026	461,000	234,221	695,221
2027	461,000	213,107	674,107
2028	469,000	191,994	660,994
2029	490,000	170,513	660,513
2030	526,000	148,071	674,071
2031	550,000	123,981	673,981
2032	588,000	98,791	686,791
2033	615,000	71,860	686,860
2034	652,000	43,693	695,693
2035	302,000	13,832	315,832
Total	\$ 5,567,000	\$ 1,552,992	\$ 7,119,992

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

Year Ended December 31,	Assessed Valuation	Percent Change	Total Mills Levied			Total Property Taxes		Percent Collected to Levied
			General Operations	Debt Service	Total	Levied	Collected	
2019/2020	\$ 33,736,453	0.0%	5.250	19.750	25.000	\$ 843,411	\$ 732,526	86.85 %
2020/2021	34,791,879	3.1%	5.250	19.750	25.000	869,797	806,146	92.68 %
2021/2022	34,750,622	-0.1%	5.250	19.750	25.000	868,766	800,511	92.14 %
2022/2023	33,947,655	-2.3%	5.250	19.750	25.000	848,691	846,064	99.69 %
2023/2024	41,499,807	22.2%	5.250	15.050	20.300	842,446	841,271	99.86 %
Estimated for Year Ending December 31, 2025	\$ 40,078,045	-3.4%	3.250	17.050	20.300	\$ 813,587		

Note:
 Property taxes collected in any one year include collection of delinquent property taxes levied in

Source: Boulder County Assessor and Treasurer.

