

**HIGHLAND PARK METROPOLITAN DISTRICT**  
**Arapahoe County, Colorado**


**FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT**  
**December 31, 2024**


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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Highland Park Metropolitan District

### Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Highland Park 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, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' 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 opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States 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.

### Auditors' 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 auditors' report that includes our opinion. 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 the 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.

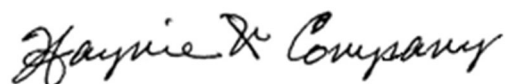
### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplemental 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, as listed in the table of contents, 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 does not include the basic financial statements and our auditors' 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.



Littleton, Colorado  
September 25, 2025

## **BASIC FINANCIAL STATEMENTS**

**HIGHLAND PARK METROPOLITAN DISTRICT  
STATEMENT OF NET POSITION  
December 31, 2024**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and investments - unrestricted	\$ 1,175,662
Cash and investments - restricted	2,012,242
Receivable from county treasurer	3,210
Property taxes receivable	531,144
Prepaid expenses	11,465
Capital assets, net of depreciation	187,750
Total assets	3,921,473
<b>LIABILITIES</b>	
Accounts payable	19,377
Payroll taxes payable	61
Total liabilities	19,438
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred property tax revenue	531,144
Total deferred inflows of resources	531,144
<b>NET POSITION</b>	
Investment in capital assets	187,750
Restricted for:	
Emergencies	9,800
Unrestricted	3,173,341
Total net position	\$ 3,370,891

These financial statements should be read only in connection with  
the accompanying notes to financial statements.

**HIGHLAND PARK METROPOLITAN DISTRICT  
STATEMENT OF ACTIVITIES  
Year Ended December 31, 2024**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>			<b>Net (Expense) Revenue and Change in Net Position</b>
		<b>Charges for Services</b>	<b>Operating Grants and Contribution</b>	<b>Capital Grants and Contribution</b>	<b>Governmental Activities</b>
Primary government:					
Governmental activities:					
General government	\$ 378,546	\$ -	\$ -	\$ -	\$ (378,546)
	<u>\$ 378,546</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(378,546)</u>
General revenues:					
Property taxes					564,810
Specific ownership taxes					32,380
Interest					163,265
Miscellaneous					2,201
Total general revenues					<u>762,656</u>
					384,110
					2,986,781
					<u>\$ 3,370,891</u>

These financial statements should be read only in connection with  
the accompanying notes to financial statements.

**HIGHLAND PARK METROPOLITAN DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2024**

	<b>General</b>	<b>Capital Projects</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>			
Cash and investments - unrestricted	\$ 1,175,662	\$ -	\$ 1,175,662
Cash and investments - restricted	-	2,012,242	2,012,242
Receivable from county treasurer	3,210	-	3,210
Property taxes receivable	531,144	-	531,144
Prepaid expenditures	11,465	-	11,465
Total assets	\$ 1,721,481	\$ 2,012,242	\$ 3,733,723
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 19,377	\$ -	\$ 19,377
Payroll taxes payable	61	-	61
Total liabilities	19,438	-	19,438
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred property tax revenue	531,144	-	531,144
Total deferred inflows of resources	531,144	-	531,144
<b>FUND BALANCES</b>			
Nonspendable:			
Prepaid expenditures	11,465	-	11,465
Restricted:			
Emergency reserves	9,800	-	9,800
Assigned:			
Capital projects	-	2,012,242	2,012,242
Unassigned	1,149,634	-	1,149,634
Total fund balances	1,170,899	2,012,242	3,183,141
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 1,721,481</b>	<b>\$ 2,012,242</b>	

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

Capital assets used in governmental activities are not financial resources and,  
therefore, are not reported in the funds

	187,750
Net position of governmental activities	\$ 3,370,891

These financial statements should be read only in connection with  
the accompanying notes to financial statements.

**HIGHLAND PARK METROPOLITAN DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**Year Ended December 31, 2024**

	<u>General</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>			
Property taxes	\$ 564,810	\$ -	\$ 564,810
Specific ownership taxes	32,380	-	32,380
Interest	119,849	43,416	163,265
Miscellaneous	2,201	-	2,201
Total revenues	<u>719,240</u>	<u>43,416</u>	<u>762,656</u>
<b>EXPENDITURES</b>			
<u>General</u>			
Audit	1,000	-	1,000
County treasurer fees	8,522	-	8,522
Directors' fees	400	-	400
District management and accounting	79,867	-	79,867
Dues and memberships	608	-	608
Elections	190	-	190
Insurance	10,943	-	10,943
Legal	8,305	-	8,305
Legal publications	41	-	41
Miscellaneous	77	-	77
Payroll taxes	31	-	31
Irrigation repairs/maintenance	13,356	-	13,356
Landscape contract	47,500	-	47,500
Landscape repairs/maintenance	1,552	-	1,552
Locates - utility locates	135	-	135
Pump and pond repairs/maintenance	6,609	-	6,609
Pump/fountain contract	19,308	-	19,308
Pond water quality	10,458	-	10,458
Park light operations	7,796	-	7,796
Snow removal	8,417	-	8,417
Stormwater fees	1,247	-	1,247
Utilities - electrical	36,135	-	36,135
Utilities - water	57,951	-	57,951
Bridge repairs/maintenance	5,700	-	5,700
<u>Capital</u>			
Street paving and sealing	-	71,177	71,177
Other projects	-	3,250	3,250
Total expenditures	<u>326,148</u>	<u>74,427</u>	<u>400,575</u>
<b>EXCESS OF REVENUES OVER (UNDER)</b>			
<b>EXPENDITURES</b>	393,092	(31,011)	362,081
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers to / from other funds	(300,000)	300,000	-
Insurance proceeds	-	21,657	21,657
Total other financing sources (uses)	<u>(300,000)</u>	<u>321,657</u>	<u>21,657</u>
<b>NET CHANGES IN FUND BALANCES</b>	93,092	290,646	383,738
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<u>1,077,807</u>	<u>1,721,596</u>	<u>2,799,403</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 1,170,899</u>	<u>\$ 2,012,242</u>	<u>\$ 3,183,141</u>

These financial statements should be read only in connection with  
the accompanying notes to financial statements.

**HIGHLAND PARK METROPOLITAN DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
Year Ended December 31, 2024**

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

Net change in fund balance - Total governmental funds	\$ 383,738
<p>Governmental funds report capital outlays as expenditures. In the Statement of Activities capital outlay is not reported as an expenditure. This amount represents net capital outlay for the current period:</p>	
Capital outlay	71,177
<p>Some expenses reported in the Statement of Activities do not require the use of financial resources and, therefore, are not reported as expenditures in governmental funds:</p>	
Depreciation	(44,148)
<p>Recognition of an asset impairment loss does not affect governmental funds, but it decreases net position in the statement of activities:</p>	
Loss on impaired asset	(26,657)
Change in net position of governmental activities	<u>\$ 384,110</u>

These financial statements should be read only in connection with the accompanying notes to financial statements.

**HIGHLAND PARK METROPOLITAN DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**Year Ended December 31, 2024**

	<u>Budget Amounts</u>	<u>Actual</u>	<u>Variance with</u>
	<u>Original - Final</u>	<u>Amounts</u>	<u>Final Budget</u>
			<u>Positive</u>
			<u>(Negative)</u>
<b>REVENUES</b>			
Property taxes	\$ 549,958	\$ 564,810	\$ 14,852
Specific ownership taxes	27,498	32,380	4,882
Interest	30,000	119,849	89,849
Miscellaneous	-	2,201	2,201
Total revenues	<u>607,456</u>	<u>719,240</u>	<u>111,784</u>
<b>EXPENDITURES</b>			
Audit	1,000	1,000	-
County treasurer fees	8,249	8,522	(273)
Directors' fees	1,000	400	600
District management and accounting	42,000	79,867	(37,867)
Dues and memberships	1,600	608	992
Elections	-	190	(190)
Engineering	10,000	-	10,000
Insurance	10,500	10,943	(443)
Legal	12,000	8,305	3,695
Legal publications	150	41	109
Postage, printing and copies	750	-	750
Miscellaneous	-	77	(77)
Payroll taxes	100	31	69
Irrigation repairs/maintenance	10,000	13,356	(3,356)
Landscape contract	47,500	47,500	-
Landscape repairs/maintenance	20,000	1,552	18,448
Locates - utility locates	500	135	365
Pump and pond repairs/maintenance	25,000	6,609	18,391
Pump/fountain contract	20,000	19,308	692
Pond water quality	10,500	10,458	42
Park light operations	1,500	7,796	(6,296)
Snow removal	15,000	8,417	6,583
Stormwater fees	2,000	1,247	753
Tree care contract	40,000	-	40,000
Tree care/pruning maintenance	15,000	-	15,000
Winter watering	3,000	-	3,000
Utilities - electrical	52,000	36,135	15,865
Utilities - water	60,000	57,951	2,049
Bridge repairs/maintenance	10,000	5,700	4,300
Contingency	12,600	-	12,600
Total expenditures	<u>431,949</u>	<u>326,148</u>	<u>105,801</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>175,507</u>	<u>393,092</u>	<u>217,585</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Insurance proceeds			
Transfer to capital repair and replacement fund	(300,000)	(300,000)	-
Total other financing sources (uses)	<u>(300,000)</u>	<u>(300,000)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	(124,493)	93,092	217,585
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>815,432</u>	<u>1,077,807</u>	<u>262,375</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 690,939</u>	<u>\$ 1,170,899</u>	<u>\$ 479,960</u>

These financial statements should be read only in connection with  
the accompanying notes to financial statements.

**HIGHLAND PARK METROPOLITAN DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2024**

**NOTE 1 - DEFINITION OF REPORTING ENTITY**

Highland Park Metropolitan District (the “District”), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized on October 6, 1983, and is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located within Arapahoe County, Colorado. The District was established to finance and construct public infrastructure improvements within its boundaries.

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

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 District organization nor is the District a component unit of any other primary governmental entity.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Government-wide and Fund Financial Statements**

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities are normally supported by taxes.

The statement of net position reports all financial and capital resources of the District. The difference between the assets plus deferred outflows of resources and liabilities plus deferred inflows of resources of the District 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.

**HIGHLAND PARK METROPOLITAN DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2024**

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

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 is computed and recorded as an operating expense. Expenditures for property and equipment are shown as increases in assets and redemption of bonds and promissory notes are 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 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. Expenditures, other than interest on long-term obligations are recorded when the liability is incurred or the long-term obligation paid. All other revenue items are considered to be measurable and available only when cash is received by the District.

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 other funds.

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

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted first, then unrestricted resources as they are needed.

**HIGHLAND PARK METROPOLITAN DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2024**

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

**Budgets**

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

**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 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 30 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 inflows of resources in the year they are levied and measurable. The deferred inflows of resources related to property tax revenues are recorded as revenue in the year they are available or collected.

**Capital Assets**

Capital assets, which include property, plant and equipment and infrastructure assets (roads, bridges, pools, sidewalks and similar items), are reported in the applicable governmental activities columns 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 and an estimated useful life in excess of two years. Such assets are recorded at historical or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Depreciation expense has been computed using the straight-line method over the following estimated economic useful lives:

**HIGHLAND PARK METROPOLITAN DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2024**

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

Fountain and related structures	15 years
Gazebo	20 years
Streets	20 years
Sign construction	10 years
Pump	10 years
Bed enhancement	10 years

**Fund Balances – Governmental Funds**

The District’s governmental fund balances may consist of five classifications based on the relative strength of the spending constraints:

Non-spendable fund balance - the amount of fund balance that is not in spendable form (such as inventory or prepaids) or is legally or contractually required to be maintained intact.

Restricted fund balance - the amounts constrained to specific purposes by their providers (such as grantors, bondholders and higher levels of government), through constitutional provisions or by enabling legislation.

Committed fund balance - amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e., Board of Directors). To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest level action to remove or change the constraint.

Assigned fund balance - amounts the District intends to use for a specific purpose. Intent can be expressed by the District Board of Directors or by an official or body to which the District Board of Directors delegates the authority.

Unassigned fund balance - amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed, unless the District Board of Directors has provided otherwise in its commitment or assignment actions.

Net Position – Net Position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The District reports three categories of net position, as follows:

**HIGHLAND PARK METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2024**

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

Net investment in capital assets – consists of net capital assets, reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows or resources related to those assets. As of December 31, 2024 the District has Investment in Capital Assets of \$214,407.

Restricted net position – net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.

Unrestricted net position – consists of all other net position that does not meet the definition of the above two components and is available for general use by the District. When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District will use the most restrictive net position first.

**NOTE 3 - CASH AND INVESTMENTS**

Cash and investments are reflected on the December 31, 2024 statement of net position as follows:

Cash and cash equivalents - unrestricted	\$ 1,175,662
Cash and cash equivalents - restricted	2,012,242
	\$ 3,187,904

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

Deposits with financial institutions	\$ 26,618
Investments	3,161,286
Total Cash and investments	\$ 3,187,904

**Cash Deposits**

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 equal to 102% of the aggregate uninsured deposits.

**HIGHLAND PARK METROPOLITAN DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2024**

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

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2024, the District's cash deposits had a bank balance of \$31,415 and a carrying balance of \$26,618.

**Investments**

**Credit Risk**

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

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

- \* Obligations of the United States and certain U.S. government agency securities and the World Bank
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Certain reverse repurchase agreements
- Certain securities and lending agreements
- Certain corporate bonds
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- \* Local government investment pools

The District generally limits its concentration of investments to those noted with an asterisk (\*) above, 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 disclosure requirements or subject to investment custodial risk 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.

**HIGHLAND PARK METROPOLITAN DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2024**

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

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

<u>Investment</u>	<u>Maturity</u>	<u>Carrying Value</u>
Colorado Local Government		
Liquid Asset Trust:		
COLOTRUST PRIME	Weighted average maturity under 60 days	\$ 951,091
COLOTRUST EDGE	Weighted average maturity under one year	2,210,195
		<u>\$ 3,161,286</u>

**COLOTRUST**

During 2024, the District invested in the Colorado Local Government Liquid Asset Trust (Colostrust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing Colostrust. The District invested in COLOTRUST PRIME (PRIME) and COLOTRUST EDGE (EDGE), two of the three portfolios offered by Colostrust. PRIME operates similarly to a money market fund and each share is equal in value to \$1.00. There are no unfunded commitments, the redemption period frequency is daily and there is no redemption notice period. PRIME may invest in U.S. Treasury securities, federal instrumentality and agency securities, repurchase agreements and tri-party repurchase agreements, collateralized bank deposits, government money market funds, corporate bonds and highest rated commercial paper. EDGE invests consist of money market instruments and medium-term notes designed for the short to intermediate reserve and surplus funds of Colorado governments.

A designated custodial bank serves as custodian for Colostrust’s portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for Colostrust’s investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian’s internal records segregate investments owned by Colostrust. PRIME is rated AAAM by S&P Global Ratings with a weighted average maturity of under 60 days. As of December 31, 2024, the District had \$951,091 invested in COLOTRUST PRIME in the name of the District. PRIME is rated AAAM by S&P Global Ratings.

**Investment Valuation**

Certain investments measured at fair value on a recurring basis are categorized within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure an asset’s fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

**HIGHLAND PARK METROPOLITAN DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2024**

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

The District's investments are not required to be categorized within the fair value hierarchy. These investments are measured at amortized cost or in certain circumstances the value is calculated using the net asset value (NAV) per share, or its equivalent of the investment. These investments include 2a7-like external investment pools and money market investments. The District held investments in Colotrust at year end for which the investment valuations were determined as follows.

Colotrust determines the NAV of the shares of each portfolio as of the close of business on each day. The NAV per share of each portfolio is computed by dividing the total value of the securities and other assets of the portfolios, less any liabilities, by the total outstanding shares of the portfolios. Liabilities, which include all expenses and fees of Colotrust, are accrued daily. The NAV is calculated at fair value using various inputs to determine value in accordance with FASB guidance. It is the goal of PRIME to maintain a NAV of \$1.00 per share, however changes in interest rates may affect the fair value of the securities held by Colotrust and there can be no assurance that the NAV will not vary from \$1.00 per share. EDGE does not seek to maintain a stable NAV. EDGE initially established a \$10.00 transactional share price. The principal value of an EDGE investment may fluctuate and could be greater or less than the share price at price of purchase, prior to redemption and at the time of redemption. The District had \$2,210,195 invested in COLOTRUST EDGE in the name of the District and is rated AAAs/S1 by Fitch Ratings.

**HIGHLAND PARK METROPOLITAN DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2024**

**NOTE 4 – CAPITAL ASSETS**

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

<b>Governmental Activities:</b>	<b>Balance at December 31, 2023</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance at December 31, 2024</b>
Capital assets, being depreciated:				
Fountain and related structures	\$ 1,493,870	\$ -	\$ -	\$ 1,493,870
Gazebo	213,798	-	(37,490)	176,308
Streets and street improvements	512,734	71,177	-	583,911
Sign construction	53,829	-	-	53,829
Pump	12,848	-	-	12,848
Bed enhancements	40,414	-	-	40,414
Total capital assets, being depreciated	<u>2,327,493</u>	<u>71,177</u>	<u>(37,490)</u>	<u>2,361,180</u>
Less accumulated depreciation for:				
Fountain and related structures	(1,493,870)	-	-	(1,493,870)
Gazebo	(167,118)	(10,690)	10,833	(166,975)
Streets and street improvements	(409,279)	(26,527)	-	(435,806)
Sign construction	(51,366)	(2,462)	-	(53,828)
Pump	(12,420)	(428)	-	(12,848)
Bed enhancements	(6,062)	(4,041)	-	(10,103)
Total accumulated depreciation	<u>(2,140,115)</u>	<u>(44,148)</u>	<u>10,833</u>	<u>(2,173,430)</u>
Total capital assets, being depreciated, net	<u>187,378</u>	<u>27,029</u>	<u>(26,657)</u>	<u>187,750</u>
Governmental activities capital assets, net	<u>\$ 187,378</u>	<u>\$ 27,029</u>	<u>\$ (26,657)</u>	<u>\$ 187,750</u>

**Impairment of Capital Assets:**

During the year ended December 31, 2024, the District recognized impairment losses for the damage caused by a windstorm on April 27, 2024. In accordance with GASB Statement No. 42, Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries, insurance recoveries of \$21,657 received during the fiscal year December 31, 2024, and reported as Other Financing Sources on the Statement of Revenue, Expenses, and Changes in the Fund Balance, were used to offset the amount of loss that was recognized in the amount of \$26,657.

**HIGHLAND PARK METROPOLITAN DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2024**

**NOTE 5 – AUTHORIZED DEBT**

On November 4, 1997, the District’s electors authorized the issuance of indebtedness in an amount not to exceed \$1,850,000 for infrastructure improvements at an interest rate not to exceed 10%. The Series 1998 Bonds were paid off in 2008. At December 31, 2024, \$140,000 of this authorization remained unissued.

	Amount Authorized on November 4, 1997	Authorization used, Series 1998	Authorized But Unissued
Drainage improvements	\$ 1,450,000	\$ 1,450,000	\$ -
Street improvements	400,000	260,000	140,000
	\$ 1,850,000	\$ 1,710,000	\$ 140,000

**NOTE 6 – NET POSITION and FUND BALANCE**

The District’s net position consists of three components – net investment in capital assets, restricted, and unrestricted.

At December 31, 2024, the District had Investment in capital assets calculated as follows:

**Investment in Capital Asset**

Investment in Capital assets:	
Capital assets, net	\$ 214,407

**Restricted Net Position**

The restricted portion of the net position include amounts that are restricted either externally by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provision or enabling legislation. The District’s restricted net position at December 31, 2024 is as follows:

	<u>Governmental Activities</u>
Restricted net position:	
TABOR emergency reserve (Note 8)	\$ 9,800
	\$ 9,800

**HIGHLAND PARK METROPOLITAN DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2024**

**NOTE 6 – NET POSITION and FUND BALANCE (CONTINUED)**

**Fund Balance**

The restricted fund balance in the General Fund included amounts 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 (see Note 8). The District's restricted fund balance as of December 31, 2024, is as follows:

Operating and maintenance reserve	\$ 9,800
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The assigned fund balance in the Capital Projects Fund is to be used for repairs and maintenance of existing District assets or future capital assets.

Capital projects	\$2,012,242
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As of December 31, 2024, the District had unassigned fund balance of \$1,149,634.

**Nonspendable Fund Balance**

The nonspendable fund balance in the General Fund in the amount of \$11,465 represents prepaid expenditures for the ensuing fiscal year and is therefore not in a spendable form.

**NOTE 7 - RISK MANAGEMENT**

Except as provided in the Colorado Governmental Immunity Act, the District may be exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets, errors or omissions, injuries to employees or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool). The Pool is an organization created by intergovernmental agreement to provide property,

liability, public officials' liability, boiler and machinery and workers compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property, public officials' liability and workers compensation coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool

may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

**HIGHLAND PARK METROPOLITAN DISTRICT**  
**NOTES TO 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, except Enterprise.

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.

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.

This information is an integral part of the accompanying financial statements.

**SUPPLEMENTAL INFORMATION**

**HIGHLAND PARK METROPOLITAN DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL  
CAPITAL PROJECTS FUND  
Year Ended December 31, 2024**

	<u>Budget Amounts</u> <u>Original - Final</u>	<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
<b>REVENUES</b>			
Interest	\$ 30,000	\$ 43,416	\$ 13,416
Total revenues	<u>30,000</u>	<u>43,416</u>	<u>13,416</u>
<b>EXPENDITURES</b>			
Concrete removal and replacement	175,000	71,177	103,823
Engineering	10,000	-	10,000
Landscape renovations/Tree replacement	35,000	-	35,000
Pavilion repairs	30,000	3,250	26,750
Pond pump replacement contingency	40,000	-	40,000
Pond repairs/drainage repairs	25,000	-	25,000
Pump house repairs	10,000	-	10,000
Signs	10,000	-	10,000
Total expenditures	<u>335,000</u>	<u>74,427</u>	<u>260,573</u>
<b>EXCESS OF EXPENDITURES OVER REVENUES</b>	<u>(305,000)</u>	<u>(31,011)</u>	<u>273,989</u>
<b>OTHER FINANCING SOURCES</b>			
Transfer from general fund	300,000	300,000	-
Insurance reimbursement	-	21,657	21,657
Total other financing sources	<u>300,000</u>	<u>321,657</u>	<u>21,657</u>
<b>NET CHANGE IN FUND BALANCE</b>	(5,000)	290,646	295,646
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>1,751,301</u>	<u>1,721,596</u>	<u>(29,705)</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 1,746,301</u>	<u>\$ 2,012,242</u>	<u>\$ 265,941</u>

## **OTHER INFORMATION**

**HIGHLAND PARK METROPOLITAN DISTRICT  
SCHEDULE OF ASSESSED VALUATION,  
MILL LEVY AND PROPERTY TAXES COLLECTED  
December 31, 2024**

<u>Year Ended December 31,</u>	<u>Prior Year Assessed Valuation for Current Year Property Tax Levy</u>	<u>Mills Levied</u>	<u>Total Property Taxes</u>		<u>Percentage Collected to Levied</u>
			<u>Levied</u>	<u>Collected</u>	
2022	\$ 67,336,483	8.790	\$ 591,888	\$ 557,293	94.16%
2023	\$ 62,152,856	9.386	\$ 583,364	\$ 573,164	98.25%
2024	\$ 60,930,202	9.026	\$ 549,958	\$ 564,810	102.70%
Estimated for the year ending December 31, 2025	\$ 60,206,485	8.822	\$ 531,144		

**NOTE:**

Property taxes collected in any one year includes collection of delinquent property taxes assessed in prior years, as well as reductions for property tax refunds or abatements. Information received from the county treasurer does not permit identification of specific year of assessment.