ICENOGLE SEAVER POGUE

September 19, 2024

Larimer County Clerk and Recorder
Larimer County Colorado
P.O. Box 1280
Fort Collins, Colorado 80522
(Via Email: recording @larimer.org)

Town of Windsor
Town Clerk
301 Walnut Street
Windsor, Colorado 80550
(Via Email: townclerksoffice@windsorgov.com)

Division of Local Government
1313 Sherman Street
Room 521
Denver, Colorado 80203
(Via E-Portal)

Office of the State Auditor
1525 Sherman Street, 7th Floor
Denver, Colorado 80203
(Via E-Portal)

Re: Annual Report for Highpointe Vista Metropolitan District No. 2

To Whom It May Concern:

Pursuant to Section 32-1-207(3)(c) C.R.S, enclosed please find the 2023 Annual Report for Highpointe Vista Metropolitan District No. 2.

Please contact our office with any questions regarding the Annual Report.

Sincerely,

ICENOGLE SEAVER POGUE
A Professional Corporation

Hannah M. Pogue
Paralegal

HIGHPOINTE VISTA METROPOLITAN DISTRICT NO. 2

2023 ANNUAL REPORT
TO
THE TOWN OF WINDSOR

Pursuant to Chapter VII, Part A of the Consolidated Service Plan (the "Service Plan") for Highpointe Vista Metropolitan District Nos. 1 & 2, Highpointe Vista Metropolitan District No. 2 (the "District") is required to submit an annual report to the Town of Windsor (the "Town"), as set out in Section 32-1-207(3), C.R.S., in the form prescribed by the Town. Section 19-1-80 of the Town Code sets forth the requirements of the annual report, which are incorporated herein. Section 32-1-207(3)(c), C.R.S. sets forth additional requirements, which are incorporated herein, and requires submission of this annual report to the Division of Local Government, the State Auditor, and the Larimer County Clerk and Recorder. The District hereby reports the following for the year ending December 31, 2023 (the "Report Year"):

I. TOWN ANNUAL REPORT REQUIREMENTS

1. <u>Narrative summary of the progress of the District in implementing the Service Plan for the Report Year</u>:

All Enhancements described in the Service Plan have been constructed, and no additional Enhancements are contemplated. The District continues to operate and maintain certain Enhancements and provide services as authorized by the Service Plan.

Consistent with the intent of Section I.A.4 of the Service Plan, the Board of Highpointe Vista Metropolitan District No. 1 ("District No. 1") approved a resolution approving the dissolution of District No. 1 on December 8, 2016. The Town Board consented to the dissolution of District No. 1 via Resolution No. 2017-35 on May 8, 2017. Following notice and a public hearing on the Petition for Dissolution on June 16, 2017, the District Court in and for Larimer County, Colorado issued an Order and Decree Dissolving Highpointe Vista Metropolitan District No. 1, Town of Windsor, County of Larimer ("Order and Decree") dated July 13, 2017. The Order and Decree was recorded in the office of the Larimer County Clerk and Recorder on July 25, 2017 at Reception No. 20170049078 pursuant to Section 32-1-105, C.R.S. A copy of the Order and Decree granting the dissolution of District No. 1 was submitted to the Town with the Districts' 2016 Annual Report.

2. <u>Except when exemption from audit has been granted for the report year under the Local Government Audit Law, the audited financial statements of the district for the report year, including a statement of financial condition (i.e., balance sheet) as of December 31 of the report year and the statement of operations (i.e., revenues and expenditures) for the report year</u>:

A copy of the District's audited financial statements for the Report Year is attached hereto as **Exhibit A**.

3. **Summary of the capital expenditures incurred by the District in development of the improvements for the Report Year (unless disclosed within a separate schedule to the financial statements):**

All Enhancements described in the Service Plan have been constructed, and the District did not incur capital expenditures for the construction or development of the Enhancements in the Report Year. The District expended a total of $234,224 for general repairs and maintenance and clubhouse and pool expenses from the District's general fund in the Report Year.

4. **Summary of the financial obligations of the District for the Report Year (unless disclosed within a separate schedule to the financial statements):**

a. Amount of outstanding indebtedness:

The District currently has the following outstanding indebtedness:

(1) Limited Tax General Obligation Refunding Bonds, Series 2021 ("2021 Bonds")
Principal Amount Outstanding: $4,930,000

b. Amount and terms of any new indebtedness or long-term obligations issued in the Report Year:

The District did not issue any debt in the Report Year. In October 2021, the District issued the 2021 Bonds, with a par value of $5,235,000, to refund the District Limited Tax General Obligation Refunding Bonds, Series 2016A and Subordinate Limited Tax General Obligation Refunding Bond, Series 2016B (the "2016 Bonds") at a lower interest rate. The Series 2021 Bonds have a final maturity of December 1, 2046, and bear interest at a rate of 4% calculated on the basis of a 360-day year of twelve 30-day months, payable to the extent Pledged Revenues, as defined in the Bond Indenture, are available semiannually on each June 1 and December 1, commencing on December 1, 2021. The Series 2021 Bonds maturing on and after December 1, 2032 are subject to optional redemption prior to maturity at the option of the District, as a whole or in integral multiples of $1,000, beginning on December 1, 2031, and on any date thereafter, upon payment of par, accrued interest with no redemption premium.

c. Amount of payment or retirement of existing indebtedness of the District in the Report Year:

The District paid the following amount towards existing indebtedness in the Report Year:

2021 Bonds:
Principal: $ 95,000
Interest: $ 201,000

d. Total assessed valuation of all taxable properties within the District as of January 1 of the Report year:

The District received a certification of valuation from the Larimer County Assessor that reported net total taxable assessed valuation for tax year 2023 in the amount of $21,952,727.

e. The current mill levy of the District pledged to debt retirement in the Report Year:

The District imposed a mill levy of 39.500 mills in the Report Year, for collection in 2024 as follows:

- 26.500 mills of which were levied for general operating expenses, and
- 13.000 mills of which were levied for debt service on the 2021 Bonds.

II. SPECIAL DISTRICT ACT (SECTION 32-1-207(3)(c), C.R.S.) ANNUAL REPORT REQUIREMENTS:

1. **Boundary changes made.**

   No changes to the District's boundaries were made or proposed during the Report Year.

2. **Intergovernmental agreements entered into or terminated with other governmental entities.**

   The District did not enter or terminate any intergovernmental agreements during the Report Year.

3. **Access information to obtain a copy of rules and regulations adopted by the board.**

   For information concerning rules and regulations adopted by the District, please contact the District's manager:

   Kellison Corp.
   201 E. 4th St #130
   Loveland, CO 80537
   Email: mgthoa@kellisoncorp.net

4. **A summary of litigation involving public improvements owned by the special district.**

General counsel for the District is not aware of any litigation involving the district as of December 31, 2023.

5. **The status of the construction of public improvements by the special district.**

   See Sections I.1. and I.3. above.

6. **A list of facilities or improvements constructed by the special district that were conveyed or dedicated to the county or municipality.**

   No District-constructed facilities or improvements were conveyed or dedicated to the Town or to Larimer County, Colorado during the Report Year.

7. **The final assessed valuation of the special district as of December 31 of the reporting year.**

   See Section I.4.d. above.

8. **A copy of the current year's budget.**

   A copy of the District's 2024 Budget is attached hereto as **Exhibit B**.

9. **A copy of the audited financial statements, if required by the "Colorado Local Government Audit Law", part 6 of article 1 of title 29, or the application for exemption from audit, as applicable.**

   See Section I.2. above.

10. **Notice of any uncured defaults existing for more than ninety days under any debt instrument of the special district.**

    The District is unaware of any uncured defaults existing for more than ninety days under any debt instrument of the District.

11. **Any inability of the special district to pay its obligations as they come due under any obligation which continues beyond a ninety-day period.**

    As of the date of submission of this annual report, the District is not aware of any inability of the District to pay its obligations as they come due in accordance with the terms of such obligations, which continue beyond a ninety (90) day period.

EXHIBIT A

HIGHPOINTE VISTA METROPOLITAN DISTRICT NO. 2
AUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDING DECEMBER 31, 2023

Highpointe Vista Metropolitan District No. 2
Larimer County, Colorado

FINANCIAL STATEMENTS

With Independent Auditor's Report

December 31, 2023

Highpointe Vista Metropolitan District No. 2

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FISCAL FOCUS PARTNERS LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Highpointe Vista Metropolitan District No. 2
Larimer County, Colorado

Opinions

We have audited the financial statements of the governmental activities and each major fund of Highpointe Vista Metropolitan District No. 2 (the District) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of December 31, 2023, and the respective changes in financial position 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 (GAAS). 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.

Fiscal Focus Partners, LLC

PO Box 740339, Arvada, CO 80006
303.202.1800 Office www.ffpcpa.com

Auditor's Responsibility 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 GAAS 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 GAAS, we

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk 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 judgement, 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 to 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 opinions on the basic financial statements are not affected by this missing information.

Supplemental 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 identified in the table of contents is presented for the purposes of additional analysis and legal compliance 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Fiscal Focus Partners, LLC

Arvada, Colorado
May 17, 2024

HIGHPOINTE VISTA METROPOLITAN DISTRICT NO. 2

STATEMENT OF NET POSITION

December 31, 2023

	Governmental Activities
ASSETS	
Cash and investments	$ 183,827
Cash and investments - restricted	73,864
Accounts receivable	16,368
Due from county treasurer	3,266
Property taxes receivable	867,132
Capital assets, net	2,159,716
Total assets	3,304,173
LIABILITIES	
Accounts payable	4,039
Other accrued liabilities	11,293
Accrued interest payable	16,433
Noncurrent liabilities:	
Due within one year	105,000
Due in more than one year	5,518,514
Total liabilities	5,655,279
DEFERRED INFLOWS OF RESOURCES	
Property tax revenue	867,132
Total deferred inflows of resources	867,132
NET POSITION	
Restricted for:	
Emergencies	18,500
Debt service	56,671
Unrestricted	(3,293,409)
Total net position	$ (3,218,238)

The accompanying Notes to the Financial Statements are an integral part of these statements.

HIGHPOINTE VISTA METROPOLITAN DISTRICT NO. 2

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2023

Functions/Programs:	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Primary government					
General government	$ 976,796	$ 282,460	$ -	$ -	$ (694,336)
Interest on long-term debt and related costs	107,732	-	-	-	(107,732)
Total primary government	$ 1,084,528	$ 282,460	$ -	$ -	(802,068)
General Revenues:					
Property taxes					699,083
Specific ownership taxes					50,359
Other					15,297
Total general revenues					764,739
Change in net position					(37,329)
Net position - beginning					(3,180,909)
Net position - ending					$ (3,218,238)

The accompanying Notes to the Financial Statements are an integral part of these statements.

HIGHPOINTE VISTA METROPOLITAN DISTRICT NO. 2

BALANCE SHEET
GOVERNMENTAL FUNDS

December 31, 2023

	General	Debt Service	Total Governmental Funds
ASSETS			
Cash and investments	$ 183,827	$ -	$ 183,827
Cash and investments - restricted	18,500	55,364	73,864
Accounts receivable	16,368	-	16,368
Due from county treasurer	1,959	1,307	3,266
Property taxes receivable	581,747	285,385	867,132
Total assets	$ 802,401	$ 342,056	$ 1,144,457
LIABILITIES			
Accounts payable	$ 4,039	$ -	$ 4,039
Other accrued liabilities	11,293	-	11,293
Total liabilities	15,332	-	15,332
DEFERRED INFLOWS OF RESOURCES			
Property tax revenue	581,747	285,385	867,132
Total deferred inflows of resources	581,747	285,385	867,132
FUND BALANCES			
Restricted for:			
Emergencies	18,500	-	18,500
Debt service	-	56,671	56,671
Unassigned	186,822	-	186,822
Total fund balances	205,322	56,671	261,993
Total liabilities, deferred inflows of resources and fund balances	$ 802,401	$ 342,056	

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:	
Capital assets, net	2,159,716
Long-term liabilities, including bonds payable, developer advances and accrued interest, are not due and payable in the current period and therefore are not reported in the funds:	
Bonds payable	(4,930,000)
Premium on bonds payable	(693,514)
Accrued interest payable - bonds	(16,433)
Net position of governmental activities	$ (3,218,238)

The accompanying Notes to the Financial Statements are an integral part of these statements.

HIGHPOINTE VISTA METROPOLITAN DISTRICT NO. 2

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

For the Year Ended December 31, 2023

	General	Debt Service	Total Governmental Funds
REVENUES			
Property taxes	$ 419,233	$ 279,850	$ 699,083
Specific ownership tax	30,200	20,159	50,359
Clubhouse and pool usage	128,360	-	128,360
Architectural reviews	2,000	-	2,000
Fee/assessments	152,100	-	152,100
Other	7,003	8,294	15,297
Total revenues	738,896	308,303	1,047,199
EXPENDITURES			
General government			
Administration	106,625	5,602	112,227
Landscaping	226,579	-	226,579
Clubhouse and pool	126,582	-	126,582
Repairs and maintenance	107,642	-	107,642
Villas maintenance	47,043	-	47,043
Debt Service			
Bond interest	-	201,000	201,000
Bond principal	-	95,000	95,000
Paying agent fee	-	4,000	4,000
Total expenditures	614,471	305,602	920,073
Net change in fund balances	124,425	2,701	127,126
Fund balances - beginning	80,897	53,970	134,867
Fund balances - ending	$ 205,322	$ 56,671	$ 261,993

The accompanying Notes to the Financial Statements are an integral part of these statements.

HIGHPOINTE VISTA METROPOLITAN DISTRICT NO. 2

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2023

Net change in fund balances - governmental funds	$	127,126
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. In the statement of activities, capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable assets over the estimated useful life of the asset.		
Depreciation expense		(362,326)
Long-term debt (e.g. bonds, Developer advance) provides current resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Current year bond principal payment		95,000
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 bond interest payable - change in liability		317
Amortization of bond premium		102,554
Change in net position of governmental activities	$	(37,329)

The accompanying Notes to the Financial Statements are an integral part of these statements.

HIGHPOINTE VISTA METROPOLITAN DISTRICT NO. 2

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL GENERAL FUND

For the Year Ended December 31, 2023

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Property taxes	$ 419,233	$ 419,233	$ 419,233	$ -
Specific ownership tax	26,000	26,000	30,200	4,200
Clubhouse and pool usage	123,000	127,160	128,360	1,200
Architectural reviews	2,400	2,350	2,000	(350)
Fee/assessments	150,300	149,100	152,100	3,000
Other	7,600	6,905	7,003	98
Total revenues	728,533	730,748	738,896	8,148
EXPENDITURES				
Administration	121,800	124,300	106,625	17,675
Landscaping	273,000	254,500	226,579	27,921
Clubhouse and pool	139,400	134,400	126,582	7,818
Repairs and maintenance	126,500	145,500	107,642	37,858
Villas maintenance	45,000	49,000	47,043	1,957
Total expenditures	705,700	707,700	614,471	93,229
Net change in fund balances	22,833	23,048	124,425	101,377
Fund balances - beginning	80,897	80,897	80,897	-
Fund balances - ending	$ 103,730	$ 103,945	$ 205,322	$ 101,377

The accompanying Notes to the Financial Statements are an integral part of these statements.

Highpointe Vista Metropolitan District No. 2

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

Note 1 – Definition of Reporting Entity

Highpointe Vista Metropolitan District No. 2 (District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized on November 29, 2005 by order of the district court for Larimer County, Colorado, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District is governed by a seven-member Board of Directors. The District is located in the Town of Windsor, Colorado. The District was formed to provide financing, construction, operation and maintenance of various infrastructure, landscaping and recreational amenities for a Planned Unit Development referred to as Highpointe Estates (the "Development").

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

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

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

Note 2 – Summary of Significant Accounting Policies

Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and charges for services.

The statement of net position reports all financial resources of the District. The difference between the sum of assets and deferred outflows of resources and the sum of liabilities and 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. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major source of revenue susceptible to accrual are property taxes, specific ownership taxes and charges for services. 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 reported 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.

Budgetary Information

In accordance with the State Budget Law of Colorado, the District's Board of Directors holds public hearings in the fall of each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and

other financing uses level and lapses at year end. The District's Board of Directors can modify the budget 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 in the General Fund for the year ended December 31, 2023.

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 minimum number of bank accounts. 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 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 inflows of resources in the year they are levied and measurable. The property tax revenues are recorded as revenue in the year they are available or collected.

Capital Assets

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

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

Infrastructure	20 - 25 years
Landscaping	10 - 20 years
Pool, Clubhouse, Other	10 - 20 years

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements that will be dedicated to other governmental entities are not depreciated.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *deferred property tax revenue,* is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Amortization

Original issue premium

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires District management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Equity

Net Position
For government-wide presentation purposes when both restricted and unrestricted resources are available for use, it is the government's practice to use restricted resources first, then unrestricted resources as they are needed.

Fund Balance
Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental

funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

Non-spendable 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 is legally or contractually required to be maintained intact.

Restricted fund balance – The portion of fund balance constrained to being used for a specific purpose by external parties (such as grantors or bondholders), constitutional provisions or enabling legislation.

Committed fund balance – The portion of fund balance constrained for specific purposes according to limitations imposed by the District's highest level of decision making authority, the Board of Directors, prior to the end of the current fiscal year. 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 above criteria.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District's policy to use the most restrictive classification first.

Note 3 – Cash and Investments

Cash and investments as of December 31, 2023 are classified in the accompanying financial statements as follows:

Statement of net position:		
Cash and investments	$	183,827
Cash and investments-Restricted		73,864
Total cash and investments	$	257,691

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

Deposits with financial institutions	$	202,327
Investments		55,364
Total cash and investments	$	257,691

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 equal to 102% of the aggregate uninsured deposits.

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

At December 31, 2023, the District's cash deposits had a bank balance of $203,828 and a carrying balance of $202,327.

Investments

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

The District generally limits its concentration of investments to those which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the District is not subject to concentration risk or investment custodial risk disclosure requirements for investments that are in the possession of another party.

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

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

- Obligations of the United States, certain U.S. government agency securities and securities of the World Bank
- General obligation and revenue bonds of U.S. local government entities

- Certain certificates of participation
- Certain securities lending agreements
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements and certain repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

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

Investment	Maturity	Amount
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted Average Under 60 Days	$ 55,364
Total investments		$ 55,364

Colotrust

The District invested in the Colorado Local Government Liquid Asset Trust (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust offers shares in three portfolios: Colotrust Prime, Colotrust Plus, and Colotrust Edge.

Colotrust Prime and Colotrust Plus operate similarly to a money market fund and each share is equal in value to $1.00. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. Colotrust Plus may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and any security allowed under CRS 24-75-601. Both portfolios are rated AAAm by Standard and Poor's.

Colotrust Edge, is managed to approximate a $10.00 transactional share price. Colotrust Edge may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper. Colotrust Edge is rated AAAf/S1 by Fitch Ratings.

A designated custodial bank serves as custodian for the Trust's investment portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. Colotrust records its investments at fair value and the District records its investment in Colotrust at net asset value as determined by fair value.

There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period. The District invested in the Colotrust Plus portfolio during 2023.

Note 4 – Capital assets

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

	Balance at December 31, 2022	Additions	Deletions	Balance at December 31, 2023
Capital assets, being depreciated:				
Infrastructure	$ 2,818,637	$ -	$ -	$ 2,818,637
Amenities				
Landscaping	2,278,582	-	-	2,278,582
Pool, clubhouse, other	2,812,490	-	-	2,812,490
Total capital assets being depreciated	7,909,709	-	-	7,909,709
Less accumulated depreciation for:				
Infrastructure	1,550,040	113,452	-	1,663,492
Amenities				
Landscaping	1,654,992	115,169	-	1,770,161
Pool, clubhouse, other	2,182,635	133,705	-	2,316,340
Total accumulated depreciation	5,387,667	362,326	-	5,749,993
Governmental activities capital asset, net	$ 2,522,042	$ (362,326)	$ -	$ 2,159,716

Depreciation expense was charged to the general government function.

Note 5 – Long-Term Obligations

Changes in long-term debt for the year ended December 31, 2023 are summarized as follows:

	Balance at December 31, 2022	Additions	Reductions	Balance at December 31, 2023	Due Within One Year
Governmental Activities:					
General Obligation Bonds:					
General Obligation Limited Tax Bonds - Series 2021	$ 5,025,000	$ -	$ 95,000	$ 4,930,000	$ 105,000
Bond Premium, Series 2021	796,068	-	102,554	693,514	-
Total	$ 5,821,068	$ -	$ 197,554	$ 5,623,514	$ 105,000

General Obligation Limited Tax Bonds Series 2021

Bond Details

In October, 2021, the District issued Limited Tax General Obligation Refunding Bonds, Series 2021 (the Bonds) with a par value of $5,235,000. The Bonds were issued for the purposes of refinancing the Limited General Obligation Refunding Bonds, Series 2016A and Series 2016B, and for the payment of the related issuance cost of the Bonds.

The Bonds bear interest at 4%, payable semi-annually on June 1 and December 1, beginning on December 1, 2021. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2021. The Bonds mature on December 1, 2046. To the extent principal of any Bond is not paid when due, such principal shall remain outstanding until paid. To the extent interest on any Bond is not paid when due, such interest shall compound semi-annually on each interest payment date, at the rate then borne by the Bond. The District shall not be obligated to pay more than the amount permitted by law and its electoral authorization in repayment of the Bonds, including all payments of principal, premium if any, and interest, and all Bonds will be deemed defeased and no longer outstanding upon the payment by the District of such amount.

Optional Redemption

The Bonds maturing on and after December 1, 2032 are subject to redemption prior to maturity at the option of the District, as a whole or in integral multiples of $1,000 beginning on December 1, 2031, and on any date thereafter, upon payment of par, accrued interest with no redemption premium.

Mandatory Sinking Fund Redemption

The Bonds maturing on December 1, 2041 also are subject to mandatory sinking fund redemption, in part, by lot, on December 1, 2037, and on each December 1 thereafter prior to the maturity date of such bonds, upon payment of par and accrued interest, without redemption premium, in the amounts set forth below:

Year of Redemption	Redemption Amount
2037	$ 225,000
2038	245,000
2039	250,000
2040	270,000
2041, final maturity, not a sinking fund redemption	280,000

The Bonds maturing on December 1, 2046 also are subject to mandatory sinking fund redemption, in part by lot, on December 1, 2042, and on each December 1 thereafter prior to the maturity date of such bonds, upon payment of par and accrued interest, without redemption premium, in the amounts set forth below:

Year of Redemption	Redemption Amount
2042	$ 300,000
2043	310,000
2044	325,000
2045	340,000
2046, final maturity, not a sinking fund redemption	350,000

Security

The Bonds are secured and payable from moneys derived by the District from the following sources, net of any costs of collection: i) the Required Mill Levy; ii) the portion of Specific Ownership Tax which is collected as a result of the imposition of the Required Mill Levy; and iii) any other legally available moneys which the District determines, in its absolute discretion to transfer to the Trustee for application as pledged revenue.

Concurrently, with the issuance of the Bonds, a Municipal Bond Insurance Policy was issued guaranteeing the scheduled payment of the principal and interest on the Bonds.

Required Mill Levy

Pursuant to the Bond Indenture, the District has covenanted to impose a Required Mill Levy in an amount sufficient to pay the principal of, premium if any, and interest on the Bonds as the same become due and payable (less any amount thereof for which amounts are then on deposit in the Bond Fund), and replenishing the Reserve Fund to the Reserve Requirement or repaying the Bond Insurer for draws on the Reserve Policy, as applicable but not in excess of 22.5 mills. In the event that the method of calculating assessed valuation is changed after 2005, the maximum mill levy of 22.5 mills will be increased or decreased to reflect such changes.

Covenants and Agreements

The District is required to have an annual audit of its financial records to be performed by a Certified Public Accountant completed within reasonable efforts no later than September 30 of the subsequent year. The foregoing covenant shall apply notwithstanding any State of Colorado law audit exemptions, that may exist. In addition, at least once a year in the time and manner provided by law, the District will cause a budget to be prepared and adopted.

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

Year Ended December 31,	Principal	Interest	Total
2024	$ 105,000	$ 197,200	$ 302,200
2025	110,000	193,000	303,000
2026	120,000	188,600	308,600
2027	125,000	183,800	308,800
2028	140,000	178,800	318,800
2029-2033	815,000	804,400	1,619,400
2034-2038	1,090,000	620,600	1,710,600
2039-2043	1,410,000	378,200	1,788,200
2044-2046	1,015,000	82,200	1,097,200
	$ 4,930,000	$ 2,826,800	$ 7,756,800

Debt Authorization

The District's authority to issue additional debt is restrained by its electoral authorization, the Service Plan, and the Bond Indenture.

At the election held on November 1, 2005, the District's eligible electors authorized the District to issue general obligation bonds or other obligations in the following amounts and for the following purposes: $16,875,000 for public infrastructure (the "Public Infrastructure Authorization"), $1,000,000 for operations and maintenance, $4,375,000 for contracts with other political subdivisions related to public infrastructure, $4,375,000 for contracts with private entities related to public infrastructure (the "Private Entity Authorization"), $3,375,000 for management services related to public infrastructure, and an additional $6,750,000 of authorization to refund such obligations at a higher interest rate (the "Refunding Authorization"). The District has previously used $3,375,000 of the Public Infrastructure Authorization, $2,556,584 of the Private Equity Authorization and $1,540,000 of the Refunding Authorization.

The District has not used any portion of the other categories of electoral authorization obtained from the Election, and will not use any additional electoral authorization obtained from the Election in connection with the issuance of the Bonds (except for the refunding authorization, if necessary). The Board of Directors of the District currently has no plans to seek voter approval for general obligation indebtedness in excess of this amount.

The Service Plan, as amended, provides that the maximum debt limit for the issuance of bonds is $6,000,000 exclusive of the costs of issuance, organizational costs, inflation, refundings and other similar costs. Obligations of the District which have been paid or refunded do not count against the debt limit. Prior to the issuance of the

Bonds, the District had used all such Service Plan authorization. The Bonds constitute a refunding and therefore do not count against the Service Plan debt limit.

Note 6 – Net Position

The District's net position consists of two components – restricted and unrestricted.

Restricted assets include net position that is restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had restricted net position as of December 31, 2023:

	Governmental Activities
Restricted net position:	
Emergency reserve	$ 18,500
Debt service	56,671
Total restricted net position	$ 75,171

As of December 31, 2023, the District has unrestricted net position (deficit) of $(3,293,409). The deficit amount is a result of the District being responsible for the repayment of bonds issued for public improvements that have been conveyed to other governmental entities.

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

The District pays annual premiums to the Pool for liability, property, public officials' liability and workers compensation coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

Note 8 - Tax, Spending and Debt Limitation

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

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

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

A majority of the District's electors has authorized the District to collect revenues without regard to the TABOR limits.

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.

* * * * *

SUPPLEMENTAL INFORMATION

HIGHPOINTE VISTA METROPOLITAN DISTRICT NO. 2

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL DEBT SERVICE FUND

For the Year Ended December 31, 2023

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget - Positive (Negative)
REVENUES			
Property taxes	$ 279,850	$ 279,850	$ -
Specific ownership tax	19,200	20,159	959
Other	600	8,294	7,694
Total revenues	299,650	308,303	8,653
EXPENDITURES			
General government			
County treasurer's fees	8,000	5,602	2,398
Debt Service			
Bond interest	201,000	201,000	-
Bond principal	95,000	95,000	-
Paying agent fees	4,000	4,000	-
Total expenditures	308,000	305,602	2,398
Net change in fund balances	(8,350)	2,701	11,051
Fund balances - beginning	21,176	53,970	32,794
Fund balances - ending	$ 12,826	$ 56,671	$ 43,845

EXHIBIT B
2024 BUDGET

STATE OF COLORADO
TOWN OF WINDSOR, COUNTY OF LARIMER
HIGHPOINTE VISTA METROPOLITAN DISTRICT NO. 2
2024 BUDGET RESOLUTION

The Board of Directors of the Highpointe Vista Metropolitan District No. 2, Town of Windsor, Larimer County, Colorado held a special meeting on Monday, January 8, 2024 at the hour of 6:30 P.M., at 6049 Mid Pointe Drive, Windsor, Colorado, 80550.

The following members of the Board of Directors were present:

Henry Frey	President
Gary Westlind	Vice President/Secretary
Trent Horton	Treasurer
Bill Bruschke	Assistant Treasurer
Janet Conner	Director
Joel Guttormsen	Director

Also present were: John Kerst; Members of the Public.

The President reported that proper notice was made to allow the Board of Directors of the Highpointe Vista Metropolitan District No. 2 to conduct a public hearing on the 2024 budget and, prior to the meeting, each of the directors had been notified of the date, time and place of this meeting and the purpose for which it was called. It was further reported that this meeting is a special meeting of the Board of Directors of the District and that a notice of special meeting was posted on a public website of the District/in the designated public place within the boundaries of the District no less than twenty-four hours prior to the holding of the meeting, and to the best of his knowledge, remains posted to the date of this meeting.

Thereupon, Director Westlind introduced and moved the adoption of the following Resolution:

RESOLUTION

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET, APPROPRIATING SUMS OF MONEY TO EACH FUND IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN AND LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2024 TO HELP DEFRAY THE COSTS OF GOVERNMENT FOR THE HIGHPOINTE VISTA METROPOLITAN DISTRICT NO. 2, TOWN OF WINDSOR, COUNTY OF LARIMER, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2024 AND ENDING ON THE LAST DAY OF DECEMBER 2024.

WHEREAS, the Board of Directors (the "Board") of the Highpointe Vista Metropolitan District No. 2 (the "District") has authorized its treasurer and accountant to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget was submitted to the Board for its review and consideration on or before October 15, 2023; and

WHEREAS, due and proper notice was published on December 11, 2023 in the *Greeley Tribune* indicating (i) the date and time of the hearing at which the adoption of the proposed budget will be considered; (ii) that the proposed budget is available for inspection by the public at a designated place; (iii) that any interested elector of the District may file any objections to the proposed budget at any time prior to the final adoption of the budget by the District; and (iv) if applicable, the amount of the District's increased property tax revenues resulting from a request to the Division of Local Government pursuant to Section 29-1-302(1), C.R.S.; and an original publisher's Affidavit of Publication is attached hereto as Exhibit A and incorporated herein by this reference; and

WHEREAS, the proposed budget was open for inspection by the public at the designated place; and

WHEREAS, a public hearing was held on Wednesday, December 13, 2023 and interested electors were given the opportunity to file or register any objections to said proposed budget and any such objections were considered by the Board; and

WHEREAS, the budget being adopted by the Board has been prepared based on the best information available to the Board regarding the effects of Section 29-1-301, C.R.S., and Article X, Section 20 of the Colorado Constitution; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law; and

WHEREAS, pursuant to Section 29-1-113(1), C.R.S., the Board shall cause a certified copy of the budget, including the budget message and any resolutions adopting the budget, appropriating moneys and fixing the rate of any mill levy, to be filed with the Division of Local Government within thirty (30) days following the beginning of the fiscal year of the budget adopted; and

WHEREAS, pursuant to Section 32-1-1201, C.R.S., the Board shall determine in each year the amount of money necessary to be raised by taxation, taking into consideration those items required by law, and shall certify the rate so fixed to the board of county commissioners of each county within the District or having a portion of its territory within the District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE HIGHPOINTE VISTA METROPOLITAN DISTRICT NO. 2, TOWN OF WINDSOR, COUNTY OF LARIMER, COLORADO:

Section 1. Summary of 2024 Revenues and 2024 Expenditures. That the estimated revenues and expenditures for each fund for fiscal year 2024, as more specifically set forth in the budget attached hereto as Exhibit B and incorporated herein by this reference, are accepted and approved.

Section 2. Adoption of Budget. That the budget as submitted, and if amended, then as amended, and attached hereto as Exhibit B and is approved and adopted as the budget of the District for fiscal year 2024. In the event the final assessed valuation provided by the Larimer County Assessor's Offices differ from the assessed valuation used in the proposed budget, the District's accountant is hereby directed to modify and/or adjust the budget and mill levy certification as needed to reflect the final assessed valuation without the need for additional Board authorization.

Section 3. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

Section 4. Budget Certification. That the budget shall be certified by Gary Westlind, Vice President/Secretary of the District, and made a part of the public records of the District and a certified copy of the approved and adopted budget shall be filed with the Division of Local Government.

Section 5. 2024 Levy of General Property Taxes. That the attached budget indicates that the amount of money from general property taxes necessary to balance the budget for the General Fund for operating expenses is $581,747 and that the 2023 valuation for assessment, as certified by the Larimer County Assessor, is $21,952,727. That for the purposes of meeting all general operating expenses of the District during the 2024 budget year, there is hereby levied a tax

of 26.500 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2024.

Section 6. 2024 Levy of Debt Retirement Expenses. That the attached budget indicates that the amount of money from general property taxes necessary to balance the budget for the Debt Service Fund for debt retirement expense is $285,385 and that the 2023 valuation for assessment, as certified by the Larimer County Assessor, is $21,952,727. That for the purposes of meeting all debt retirement expenses of the District during the 2024 budget year, there is hereby levied a tax of 13.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2024.

Section 7. 2024 Mill Levy Adjustment. The Board may adjust the mill levy, as specifically set forth in the District's Service Plan (the "Adjusted Mill Levy"). The Board hereby determines in good faith to establish the Adjusted Mill Levy as set forth in the mill levy certification attached hereto as Exhibit C pursuant to the authority granted by its Service Plan to ensure that the District's revenues shall be neither diminished nor enhanced as a result of the changes effecting the mill levy. Subject to adjustment and finalization by the District's accountant in accordance with Sections 2 and 3 hereof, the Board further authorizes that the Adjusted Mill Levy be reflected in the District's Certification of Tax Levies to be submitted to the Board of County Commissioners of Larimer County on or before January 10, 2024, for collection in 2024.

Section 8. Certification to County Commissioners. That the Board Secretary and/or District's accountant are hereby authorized and directed to immediately certify to the Board of County Commissioners of Larimer County, the mill levy for the District hereinabove determined and set. That said certification shall be in substantially the following form attached hereto as Exhibit C and incorporated herein by this reference.

[The remainder of this page is intentionally left blank.]

The foregoing Resolution was seconded by Director Horton,

APPROVED AND ADOPTED THIS 8TH DAY OF JANUARY, 2023.

HIGHPOINTE VISTA METROPOLITAN DISTRICT NO. 2

By: Henry Frey
Its: President

STATE OF COLORADO
TOWN OF WINDSOR, COUNTY OF LARIMER
HIGHPOINTE VISTA METROPOLITAN DISTRICT NO. 2
2024 BUDGET RESOLUTION

I, Gary Westlind, hereby certify that I am a director and the duly elected and qualified Vice President/Secretary of the Highpointe Vista Metropolitan District No. 2, and that the foregoing constitutes a true and correct copy of the record of proceedings of the Board of Directors of the District, adopted at a special meeting of the Board of Directors of the Highpointe Vista Metropolitan District No. 2, held on January 8, 2024, at 6049 Mid Pointe Drive, Windsor, Colorado, 80550, as recorded in the official record of the proceedings of the District, insofar as said proceedings relate to the budget hearing for fiscal year 2024; that said proceedings were duly had and taken; that the meeting was duly held; and that the persons were present at the meeting as therein shown.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the official seal of the District this 8th day of January, 2024.

Gary Westlind, Vice President/Secretary

HIGHPOINTE VISTA METROPOLITAN DISTRICT NO. 2
LARIMER COUNTY, COLORADO
SEAL

EXHIBIT A

Affidavit
Notice as to Proposed 2024 Budget

NOTICE AS TO PROPOSED 2024 BUDGET AND HEARING
HIGHPOINTE VISTA METROPOLITAN DISTRICT NO. 2

NOTICE IS HEREBY GIVEN, pursuant to Sections 29-1-108 and 109, C.R.S., that a proposed 2024 budget has been submitted to the HIGHPOINTE VISTA METROPOLITAN DISTRICT NO. 2 for the ensuing year of 2024. A copy of the proposed 2024 budget is on file in the office of the District's Manager, Kellison LLC, 201 E. 4th Street, Suite 130, Loveland, Colorado 80537, where the same is open for public inspection. A copy of the budget can also be requested by email to mgthoa@kellisoncorp.net . Such proposed budget will be considered at a hearing at the special board meeting of the HIGHPOINTE VISTA METROPOLITAN DISTRICT NO. 2 to be held at 6:30 P.M. on Monday, January 8, 2024. The meeting will be held at 6049 Mid Pointe Drive, Windsor, Colorado. Any interested elector within the HIGHPOINTE VISTA METROPOLITAN DISTRICT NO. 2 may inspect the proposed budget and file or register any objections at any time prior to the final adoption of the 2024 budget.

BY ORDER OF THE BOARD OF DIRECTORS:
HIGHPOINTE VISTA METROPOLITAN DISTRICT NO. 2

By: Kellison Corporation
Managing Agent for Highpointe Vista Metropolitan District No. 2

Published: Greeley Tribune January 6, 2024-2027456

Prairie Mountain Media, LLC

PUBLISHER'S AFFIDAVIT

County of Weld
State of Colorado

The undersigned, _Agent_, being first duly sworn under oath, states and affirms as follows:

1. He/she is the legal Advertising Reviewer of Prairie Mountain Media LLC, publisher of the *Greeley Tribune*.
2. The *Greeley Tribune* is a newspaper of general circulation that has been published continuously and without interruption for at least fifty-two weeks in Weld County and meets the legal requisites for a legal newspaper under Colo. Rev. Stat. 24-70-103.
3. The notice that is attached hereto is a true copy, published in the *Greeley Tribune* in Weld County on the following date(s):

Jan 6, 2024

Melissa Najera
Signature

Subscribed and sworn to me before me this 8th day of January, 2024.

Shayla Najera
Notary Public

(SEAL)

SHAYLA NAJERA
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20174031965
MY COMMISSION EXPIRES July 31, 2025

Account:	1097090
Ad Number:	2027456
Fee:	$23.76

NOTICE AS TO PROPOSED 2024 BUDGET AND HEARING
HIGHPOINTE VISTA METROPOLITAN DISTRICT NO. 2

NOTICE IS HEREBY GIVEN, pursuant to Sections 29-1-108 and 109, C.R.S., that a proposed 2024 budget has been submitted to the HIGHPOINTE VISTA METROPOLITAN DISTRICT NO. 2 for the ensuing year of 2024. A copy of the proposed 2024 budget is on file in the office of the District's Manager, Kellison LLC, 201 E. 4th Street, Suite 130, Loveland, Colorado 80537, where the same is open for public inspection. A copy of the budget can also be requested by email to mgthoa@kellisoncorp.net . Such proposed budget will be considered at a hearing at the special board meeting of the HIGHPOINTE VISTA METROPOLITAN DISTRICT NO. 2 to be held at 6:30 P.M. on Monday, January 8, 2024. The meeting will be held at 6049 Mid Pointe Drive, Windsor, Colorado. Any interested elector within the HIGHPOINTE VISTA METROPOLITAN DISTRICT NO. 2 may inspect the proposed budget and file or register any objections at any time prior to the final adoption of the 2024 budget.

BY ORDER OF THE BOARD OF DIRECTORS:
HIGHPOINTE VISTA METROPOLITAN DISTRICT NO. 2

By: Kellison Corporation
Managing Agent for Highpointe Vista Metropolitan District No. 2

Publish In: The Greeley Tribune
Publish On: 1/06/2024

EXHIBIT B

Budget Document
Budget Message

HIGHPOINTE VISTA METROPOLITAN DISTRICT NO. 2
2024
BUDGET MESSAGE

Attached please find a copy of the adopted 2024 budget for the Highpointe Vista Metropolitan District No. 2.

The Highpointe Vista Metropolitan District No. 2 has adopted budgets for two funds, a General Fund to provide for general operating expenditures; and a Debt Service Fund to provide for payment on the outstanding general obligation debt.

The district's accountants have utilized the modified accrual basis of accounting and the budget has been adopted after proper postings, publications and public hearing.

The primary sources of revenue for the district in 2024 will be property taxes and specific ownership taxes. In 2024, the district intends to impose a mill levy on all property within the district totaling 39.500 mills, of which 26.500 mills will be dedicated to the General Fund and the balance of 13.000 mills will be allocated to the Debt Service Fund.

Highpointe Vista Metro District No. 2 - General Fund 2024 Budget					
		Actuals 2022	Budget 2023	Estimate 2023	Budget 2024
	INCOME				
4100	Fees, ACC Review	$ 2,150	$ 2,400	$ 2,400	$ 2,500
4110	Fees, Clubhouse Rental	$ 4,200	$ 3,600	$ 4,800	$ 5,000
4140	Fees, Association (Villas)	$ 39,000	$ 36,000	$ 39,000	$ 37,500
4145	Fee, Annual (Landscape Maint.&Water)	$ 37,700	$ 37,700	$ 37,700	$ -
4146	Fee, Capital Improvement (Repair & Replacement)	$ 75,200	$ 75,400	$ 75,400	$ -
4147	Fee, Swimming Pool	$ 75,400	$ 75,400	$ 75,400	$ 75,400
4150	Pool Membership Fees	$ 38,450	$ 44,000	$ 48,160	$ 45,000
4170	Fees, Fines	$ -	$ 1,200	$ -	$ 1,200
4200	Interest Income	$ 430	$ 1,000	$ 403	$ 480
4230	Miscellaneous Income	$ -	$ -	$ -	$ -
4235	Gain/Loss on Sale of Asset	$ -	$ -	$ -	$ -
4240	Special Assessment	$ -	$ -	$ -	$ -
4250	Property Tax Income	$ 372,124	$ 419,233	$ 419,233	$ 581,747
4260	Specific Ownership Tax Income	$ 26,632	$ 26,000	$ 28,241	$ 28,000
4420	Rental Income	$ 6,600	$ 6,600	$ 6,600	$ 6,600
4430	Grants	$ 6,954	$ -	$ -	$ -
	Total Operating Income	**$ 684,841**	**$ 728,533**	**$ 737,337**	**$ 783,427**
	EXPENSES				
	ADMINISTRATIVE EXPENSE				
5500	Acct/Tax Prep/Professional Fee	$ 7,000	$ 8,000	$ 7,753	$ 12,000
5503	ACC Review Expenses	$ 1,764	$ 3,000	$ 2,500	$ 3,000
5512	Treasurer Fees	$ 7,451	$ 12,000	$ 8,393	$ 14,400
5515	Cable Expense	$ 2,387	$ 3,000	$ 3,405	$ 4,000
5530	Insurance	$ 15,248	$ 18,000	$ 17,603	$ 18,000
5540	Legal	$ 10,059	$ 17,000	$ 15,004	$ 18,000
	Legal-Election Costs	$ -	$ 10,000	$ -	$ -
5560	Management Fees	$ 44,400	$ 48,000	$ 47,970	$ 50,400
5570	Miscellaneous Expense	$ 262	$ 1,000	$ 774	$ 1,000
5580	Office Supplies/Expense	$ 1,093	$ 1,800	$ 954	$ 1,800
	Subtotal	**$ 89,664**	**$ 121,800**	**$ 104,356**	**$ 122,600**
	LANDSCAPE EXPENSE				
5660	Landscape Contract	$ 90,426	$ 105,000	$ 104,068	$ 122,000
5665	Landscape Maint & Repair	$ (239)	$ 8,000	$ 8,896	$ 10,000
5670	Sprinkler Sys Maint & Repairs	$ 13,003	$ 15,000	$ 10,409	$ 12,000
5675	Lake Maintenance	$ 2,650	$ 4,000	$ 3,146	$ 4,000
5680	Tree and Shrub Maintenance	$ 2,318	$ 6,000	$ 3,120	$ 8,000
5685	Water, Landscape	$ 160,355	$ 135,000	$ 95,219	$ 120,000
	Subtotal	**$ 268,038**	**$ 273,000**	**$ 224,858**	**$ 276,000**

Highpointe Vista Metro District No. 2 - General Fund 2024 Budget					
		Actuals 2022	Budget 2023	Estimate 2023	Budget 2024
	MAINTENANCE EXPENSE				
5707	Capital Improv.- Repair & Replacement	$ 125,378	$ 80,000	$ 67,972	$ 80,000
5709	Capital Improv.- Tennis	$ -	$ 2,500	$ -	$ 5,000
5716	Electricity	$ 7,655	$ 12,000	$ 5,625	$ 12,000
5733	Sewer	$ -	$ -	$ 1,328	$ 3,600
5810	Maintenance - General	$ 5,369	$ 8,000	$ 9,814	$ 8,000
5812	Maintenance- Lighting	$ 4,498	$ 3,000	$ 1,427	$ 5,000
5820	Maintenance - Pet Waste	$ 4,205	$ 5,000	$ 4,692	$ 5,000
5840	Snow Removal/Sanding	$ 13,111	$ 15,000	$ 15,067	$ 18,000
5880	Trash Removal	$ -	$ -	$ 1,705	$ 4,000
	Subtotal	**$ 160,216**	**$ 125,500**	**$ 107,629**	**$ 140,600**
	POOL/CLUBHOUSE EXPENSE				
5919	Capital Improvements - Pool/Clubhouse	$ -	$ -	$ -	$ 15,000
5920	Pool Chemicals	$ 8,265	$ 14,000	$ 13,976	$ 14,000
5922	Pool Supplies	$ -	$ 6,500	$ 13,922	$ 12,000
5924	Pool Management Contract	$ 59,200	$ 64,000	$ 63,250	$ 67,200
5925	Pool/Clubhouse - Electricity	$ 9,360	$ 17,000	$ 10,552	$ 13,000
5930	Pool/Clubhouse - Gas	$ 9,260	$ 13,500	$ 8,002	$ 14,000
5932	Pool/Clubhouse - Equipment	$ 5,300	$ 8,000	$ -	$ 6,000
5935	Pool/Clubhouse Maint. & Repair	$ 6,674	$ 8,000	$ 10,983	$ 12,000
5937	Pool/Clubhouse - Cleaning	$ 4,096	$ 4,800	$ 3,882	$ 5,000
5943	Pool/Clubhouse - Trash Removal	$ 1,508	$ 3,600	$ 1,426	$ 3,600
	Subtotal	**$ 104,171**	**$ 139,400**	**$ 125,993**	**$ 161,800**
	TENNIS COURT EXPENSES				
5975	Tennis Courts - Main. & Repairs	$ 171	$ 1,000	$ 58	$ 1,000
	Subtotal	**$ 171**	**$ 1,000**	**$ 58**	**$ 1,000**
5986	Villas Landscape Maintenance	$ 23,217	$ 24,000	$ 27,161	$ 28,000
5987	Villas Trash Removal	$ 6,010	$ 6,000	$ 6,707	$ 7,000
5988	Villas Snow Removal	$ 13,292	$ 15,000	$ 13,175	$ 18,000
	Subtotal	**$ 42,519**	**$ 45,000**	**$ 47,043**	**$ 53,000**
	Tabor Reserve 3%		**$ 21,775**	**$ 21,775**	**$ 24,000**
	Total Expenses	**$ 664,780**	**$ 727,475**	**$ 631,713**	**$ 779,000**
	NET SURPLUS (DEFICIT)	**$ 20,061**	**$ 1,058**	**$ 105,623**	**$ 4,427**
	FUND BALANCE BEGINNING	**$ 31,852**	**$ 80,897**	**$ 80,897**	**$ 186,520**
	FUND BALANCE ENDING	**$ 80,897**	**$ 81,955**	**$ 186,520**	**$ 190,947**
	ASSESSED VALUATION		**$ 17,490,628**		**$ 21,952,727**
	MILL LEVY		**23.969**		**26.500**

Highpointe Vista Metro District No. 2 - Debt Service Fund
2024 Budget

		Actuals 2022	Budget 2023	Estimate 2023	Budget 2024
	INCOME				
4200	Interest Income	$ 2,915	$ 600	$ 8,044	$ 5,000
4250	Property Tax Income	$ 322,267	$ 279,850	$ 279,850	$ 285,385
4260	Specific Ownership Tax Income	$ 23,064	$ 19,200	$ 18,852	$ 20,160
	Total Income	**$ 348,246**	**$ 299,650**	**$ 306,746**	**$ 310,545**
	EXPENSES				
5506	Paying Agent Fees DSF	$ 4,000	$ 4,000	$ 4,000	$ 4,000
5512	Treasurer Fees	$ 6,453	$ 8,000	$ 5,602	$ 8,400
5516	Bond Interest - 2021 Bonds	$ 205,000	$ 201,000	$ 201,333	$ 200,000
5517	Bond Principal - 2021 Bonds	$ -	$ 95,000	$ 95,000	$ 105,000
	Total Expenses	**$ 215,453**	**$ 308,000**	**$ 305,935**	**$ 317,400**
	NET SURPLUS (DEFICIT)	**$ 132,793**	**$ (8,350)**	**$ 811**	**$ (6,855)**
	FUND BALANCE BEGINNING	**$ 21,176**	**$ 53,970**	**$ 53,970**	**$ 54,781**
	FUND BALANCE ENDING	*$ 53,970*	*$ 45,620*	*$ 54,781*	*$ 47,926*
	ASSESSED VALUATION		**$ 17,490,628**		**$ 21,952,727**
	MILL LEVY		**16.000**		**13.000**
	TOTAL MILL LEVY		**39.969**		**39.500**

EXHIBIT C

Certification of Tax Levy

154 County Tax Entity Code DOLA LGID/SID 65483

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners[1] of Larimer County, Colorado.

On behalf of the HIGHPOINTE VISTA METROPOLITAN DISTRICT NO. 2 (taxing entity)[A]

the Board of Directors (governing body)[B]

of the HIGHPOINTE VISTA METROPOLITAN DISTRICT NO. 2 (local government)[C]

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS assessed valuation of: $ 21,952,727
(GROSS[D] assessed valuation, Line 2 of the Certification of Valuation Form DLG 57[E])

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area[F] the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: $ 21,952,727
(NET[G] assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)
USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 01/10/2024 (mm/dd/yyyy) for budget/fiscal year 2024 (yyyy)
(no later than Dec. 15)

PURPOSE (see end notes for definitions and examples)	**LEVY**[2]		**REVENUE**[2]
1. General Operating Expenses[H]	26.500	mills	$581,747
2. <**Minus**> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction[I]	< >	mills	$< >
SUBTOTAL FOR GENERAL OPERATING:	26.500	**mills**	$581,747
3. General Obligation Bonds and Interest[J]	13.000	mills	$285,385
4. Contractual Obligations[K]		mills	$
5. Capital Expenditures[L]		mills	$
6. Refunds/Abatements[M]		mills	$
7. Other[N] (specify):		mills	$
		mills	$
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	39.500	**mills**	$867,132

Contact person: ALAN D. POGUE Phone: (303) 292-9100

Signed: [signature] Title: GENERAL COUNSEL

Survey Question: Does the taxing entity have voter approval to adjust the general operating levy to account for changes to assessment rates? ☐**Yes** ☐**No**

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.

[1] If the *taxing entity's* boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.
[2] Levies must be rounded to three decimal places and revenue must be calculated from the total *NET assessed valuation* (Line 4 of Form DLG57 on the County Assessor's **FINAL** certification of valuation).

CERTIFICATION OF TAX LEVIES, continued

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS[J]:

1. Purpose of Issue: To refund Highpointe Vista Metropolitan District No. 2's Limited Tax General Obligation Refunding Bonds, Series 2016A and 2016B
   Series: $5,235,000 Limited Tax General Obligation Refunding Bonds, Series 2021
   Date of Issue: 10/07/2021
   Coupon Rate: 4.00%
   Maturity Date: 12/01/2046
   Levy: 13.000
   Revenue: 285,385

2. Purpose of Issue: _____
   Series: _____
   Date of Issue: _____
   Coupon Rate: _____
   Maturity Date: _____
   Levy: _____
   Revenue: _____

CONTRACTS[K]:

3. Purpose of Contract: _____
   Title: _____
   Date: _____
   Principal Amount: _____
   Maturity Date: _____
   Levy: _____
   Revenue: _____

4. Purpose of Contract: _____
   Title: _____
   Date: _____
   Principal Amount: _____
   Maturity Date: _____
   Levy: _____
   Revenue: _____

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.