

NORTH VISTA HIGHLANDS METROPOLITAN DISTRICT NO. 1

2023 ANNUAL REPORT

North Vista Highlands Metropolitan District No. 1 (the "District") is a quasi-municipal corporation and political subdivision of the State of Colorado. Pursuant to §32-1-207(3)(c) and the District's Service Plan, the District is required to provide an annual report to the City Manager's Office or Mayor's Office of the City of Pueblo (the "City") with regard to the following matters:

For the year ending December 31, 2023, the District makes the following report:

§32-1-207(3) Statutory Requirements

1. Boundary changes made.

There were no changes to the District's boundaries during the reporting year.

2. Intergovernmental Agreements entered into or terminated with other governmental entities.

The District did not enter into or terminate any intergovernmental agreements with other governmental entities during the reporting year.

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

The District has not adopted any rules and regulations as of December 31, 2023. Covenants and restrictions enforced by the District can be found at <https://www.nvhighlandsmd.org/>.

4. A summary of litigation involving public improvements owned by the District.

To our actual knowledge, based on review of the court records in Pueblo County, Colorado, and the Public Access to Court Electronic Records (PACER), there is no litigation involving the District's public improvements as of December 31, 2023.

5. The status of the construction of public improvements by the District.

The District is completing construction of parks and landscape improvements, and paving of Cederweed ROW.

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

The District did not construct any new facilities or improvements that were conveyed or dedicated to the City as of December 31 of the reporting year.

7. The final assessed valuation of the District as of December 31st of the reporting year.

The final assessed valuation of the District as of December 31 of the reporting year is \$10.

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

A copy of the 2024 Budget is attached hereto as **Exhibit A**.

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.

The 2023 Audit is in progress and will be provided in a supplemental report once completed.

10. Notice of any uncured defaults existing for more than ninety (90) days under any debt instrument of the District.

The District is not aware of any uncured events of default under any debt instrument existing for more than ninety (90) days.

11. Any inability of the District to pay its obligations as they come due under any obligation which continues beyond a ninety (90) day period.

The District is not aware of any inability to pay its obligations as they become due, in accordance with the terms of such obligations, which continue beyond a ninety (90) day period.

Service Plan Requirements

1. Boundary changes made or proposed to the District Boundaries as of December 31st of the prior year.

There were no boundary changes made or proposed to the District's boundaries as of December 31 of the reporting year.

2. Intergovernmental Agreements with other governmental entities, either entered into or proposed as of December 31st of the prior year.

The District did not enter into or propose any intergovernmental agreements with other governmental entities during the reporting year.

3. Copies of the Service District's rules and regulations, if any, as of December 31st of the prior year.

The District has not adopted any rules and regulations as of December 31, 2023. Covenants and restrictions enforced by the District can be found at <https://www.nvhighlandsmd.org/>.

4. A summary of any litigation which involves the District's Improvements as of December 31st of the prior year.

To our actual knowledge, based on review of the court records in Pueblo County, Colorado, and the Public Access to Court Electronic Records (PACER), there is no litigation involving the District's public improvements as of December 31, 2023.

5. Status of the Service District's construction of the Improvements as of December 31st of the prior year.

The District is completing construction of parks and landscape improvements, and paving of Cederweed ROW.

6. A list of all facilities and improvements constructed by the Service District that have been dedicated to and accepted by the City as of December 31st of the prior year.

The District did not construct any new facilities or improvements that were conveyed or dedicated to the City as of December 31 of the reporting year.

7. The assessed valuation of the Service District for the current year.

The final assessed valuation of the District as of December 31 of the reporting year is \$10.

8. Current year budget including a description of the Improvements to be constructed in such year.

A copy of the 2024 Budget is attached hereto as **Exhibit A**.

9. Audit of the Service District's financial statements, for the year ending December 31st of the previous year, prepared in accordance with generally accepted accounting principles or audit expectation, if applicable.

The 2023 Audit is in progress and will be provided in a supplemental report once completed.

10. Notice of any uncured events of default by the Service District, which continue beyond a ninety (90) day period, under any debt instrument.

The District is not aware of any uncured events of default under any debt instrument existing for more than ninety (90) days.

11. Any inability of the Service 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.

The District is not aware of any inability to pay its obligations as they become due, in accordance with the terms of such obligations, which continue beyond a ninety (90) day period.

EXHIBIT A
2024 Budget

NORTH VISTA HIGHLANDS METROPOLITAN DISTRICTS NOS 1-5

2024 BUDGET MESSAGE

North Vista Highlands Metropolitan Districts Nos. 1-5 are quasi-municipal corporations organized and operated pursuant to provisions set forth in the Colorado Special District Act and were formed in 2018. The Districts are located in the City of Pueblo, Colorado and have a service area of approximately 1,054.49 acres. The Districts were organized to plan for, design, acquire, construct, install, relocate, redevelop, provide and finance public improvements and related operation and maintenance services within the boundaries of the Districts.

The Districts have no employees at this time and all operations and administrative functions are contracted.

The budgets are prepared on the modified accrual basis of accounting, which is consistent with the basis of accounting used in presenting the Districts' financial statements.

District 1

General Fund

Revenue

Budgeted income in the amount of \$25,642 primarily consists of operating advances and intergovernmental revenue.

Expenses

The District No. 1 2024 general and administrative expenses budgeted amount is \$18,200. Refer to the General Fund summary included with the budget.

Fund Balance/Reserves

As required by the TABOR amendment to the Colorado Constitution, the District has provided for an Emergency Reserve in the amount of 3% of the total fiscal year expenditures in the General Fund.

Capital Projects Fund

No revenue or expenses are expected for 2024.

District 3

General Fund

Revenue

Budgeted income in the amount of \$64,819 primarily consists of advances per the Funding Agreement and property taxes.

Expenses

The District No. 3 2024 general and administrative expenses budgeted amount is \$66,254. Refer to the General Fund summary included with the budget.

Fund Balance/Reserves

As required by the TABOR amendment to the Colorado Constitution, the District has provided for an

Emergency Reserve in the amount of 3% of the total fiscal year expenditures in the General Fund.

Debt Service Fund

Revenue

Budgeted income includes \$47,484 in property taxes derived from the 63.618 mill levy and Specific Ownership Taxes estimated to be 6% of property taxes.

Expenses

Budgeted administrative expenses and interest on debt are \$469,120.

Fund Balance/Reserves

District No. 3. has provided a capitalized interest fund to pay interest payments through 2024.

Debt Summary

North Vista Highland Metropolitan District No. 3 General Obligation Bonds, Series 2020 \$11,760,000 Maturing 2049		
Year(s)	Principal	Interest
2024	-	602,700
2025	-	602,700
2026-2049	11,760,000	10,472,562
Total	11,760,000	12,280,662
North Vista Highland Metropolitan District No. 3 General Obligation Bonds, Series 2021B(3) \$5,003,000 Maturing 2051		
Payments are subject to prior pledge Series 2020		

District 2

Transfers from North Vista Highlands Metropolitan District No. 2 are pursuant to an intergovernmental agreement. The tax revenues to be transferred from District Nos. are derived from the 80.000 mill Operation and Maintenance mill levy imposed on properties within the District. The Operation and Maintenance tax revenues received by District No. 1 from District No. 2 will be used to pay administrative expenditures incurred by Districts 1 and 2.

Districts 4 & 5

Districts 4 & 5 anticipate no income or expenses for 2024.

North Vista Highlands District 1 Budget

General Fund

			2023 Estimated	
<i>Modified Accrual Basis</i>	2022 Actual	2023 Budget	Actual	2024 Budget
Beginning Fund Balance	4,702	21,002	43,506	39,565
Income				
Developer Advance	84,988	120,000	30,000	20,000
Interest Revenue	5	-	6	-
Design Review Fees	650	10,000	6,700	-
New Building Review Fees	55,550	25,000	-	-
Other Income	-	-	2	-
Intergovernmental Revenue	6,795	27,387	12,926	5,642
Total Budgeted Operating Income	147,988	182,387	49,634	25,642
Expense				
<i>General and Administrative</i>				
Management & Accounting Services	12,624	24,000	5,400	5,400
Design Review Fees	15,050	35,000	6,700	-
Legal	51,480	60,000	20,000	2,000
Audit/Tax Prep	14,290	15,000	15,000	5,000
Election	1,671	5,000	930	-
Insurance	10,928	11,474	5,072	2,700
Fees	-	-	-	-
Mapping	-	-	-	-
Office	23	1,000	50	100
Dues and Compliance	1,321	1,387	423	500
Total G&A	107,387	152,861	53,575	15,700
<i>Other</i>				
Contingency	1,797	2,500	-	2,500
<i>Utilities</i>				
Electric	-	1,000	-	-
Water	-	5,000	-	-
Total Utilities	-	6,000	-	-
<i>Landscape</i>				
Landscape & Grounds	-	-	-	-
Sprinkler System	-	5,000	-	-
Snow Removal	-	3,000	-	-
Total Landscape	-	8,000	-	-
Total Budgeted Operating Expense	109,184	169,361	53,575	18,200
Excess Income (Expenses)	38,804	13,026	(3,941)	7,442
Ending Fund Balance	43,506	34,028	39,565	47,007

Capital Projects Fund

			2023 Estimated Actual & Amended Budget	
<i>Modified Accrual Basis</i>	2022 Actual	2023 Budget	Budget	2024 Budget

North Vista Highlands District 1 Budget

Beginning Fund Balance	-	-	-	-
Income				
Other Income	1,797	-	-	-
Intergovernmental Revenue	1,999,532	1,000,000	2,593,502	-
Total Budgeted Operating Income	2,001,329	1,000,000	2,593,502	-
Expense				
Engineers	110,302	-	-	-
Capital projects Landscape	-	-	-	-
Landscape Installation	530,143	-	-	-
Fencing	5,426	-	-	-
Organizational Costs	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Construction	-	1,000,000	2,593,502	-
Streets Sidewalks	912,492	-	-	-
General Construction	-	-	-	-
Erosion Control	14,013	-	-	-
Potable Water	-	-	-	-
Non-Potable Water	-	-	-	-
Sanitary Sewer	428,953	-	-	-
Total Budgeted Operating Expense	2,001,329	1,000,000	2,593,502	-
Excess Income (Expenses)	-	-	-	-
Ending Fund Balance	-	-	-	-