

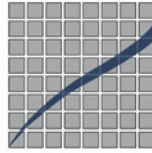
**THE RETREAT METROPOLITAN DISTRICT NO. 2
El Paso County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2023

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BiggsKofford

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors

The Retreat Metropolitan District No. 2

El Paso County, Colorado

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of December 31, 2023, the respective changes in financial position, and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of the report. We are required to be independent of the District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance

and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America 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 auditing standards generally accepted in the United States of America, 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.

Other Matters

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 which 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information, as identified 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. Such information has been subjected to the auditing procedures applied in the audit of the

basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information, as identified in the table of contents. The other information does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or provide any 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.

BiggsKofford, P.C.

Colorado Springs, Colorado
September 12, 2024

BASIC FINANCIAL STATEMENTS

THE RETREAT METROPOLITAN DISTRICT NO. 2
STATEMENT OF NET POSITION
DECEMBER 31, 2023

	Governmental Activities
ASSETS	
Cash and Investments	\$ 188,759
Cash and Investments - Restricted	7,279
Accounts Receivable	12,390
Prepaid Insurance	7,713
Due from Other Districts - The Retreat MD #1	268
Receivable from County Treasurer	571
Property Tax Receivable	232,890
Facilities Fees Receivable	15,000
Capital Assets:	
Capital Assets Not Being Depreciated	8,978,509
Total Assets	9,443,379
LIABILITIES	
Accounts Payable	12,276
Landscape Deposit	131,600
Prepaid Owner Fees	3,165
Noncurrent Liabilities:	
Due in More Than One Year	9,756,109
Total Liabilities	9,903,150
DEFERRED INFLOWS OF RESOURCES	
Deferred Property Tax	232,890
Total Deferred Inflows of Resources	232,890
NET POSITION	
Restricted for:	
Emergency Reserve	3,800
Net Position - Unrestricted	(696,461)
Total Net Position	\$ (692,661)

See accompanying Notes to Basic Financial Statements.

**THE RETREAT METROPOLITAN DISTRICT NO. 2
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023**

	Program Revenues		Capital Grants and Contributions	Net Revenues (Expenses) and Changes in Net Position
Expenses	Charges for Services	Operating Grants and Contributions		Governmental Activities
\$ 127,564	\$ 69,886	\$ 135,800	\$ -	\$ 78,122
570,516	-	-	-	(570,516)
<u>\$ 698,080</u>	<u>\$ 69,886</u>	<u>\$ 135,800</u>	<u>\$ -</u>	<u>(492,394)</u>
FUNCTIONS/PROGRAMS				
Primary Government:				
Governmental Activities:				
General Government				
and Related Costs				
Total Governmental Activities				
GENERAL REVENUES				
Property Taxes				
Specific Ownership Taxes				
Interest Income				
Intergovernmental Revenues - The Retreat MD #1				
Total General Revenues and Transfers				
CHANGES IN NET POSITION				
Net Position - Beginning of Year				
<u>(368,101)</u>				
NET POSITION - END OF YEAR				
<u>\$ (692,661)</u>				

See accompanying Notes to Basic Financial Statements.

**THE RETREAT METROPOLITAN DISTRICT NO. 2
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and Investments	\$ 188,759	\$ -	\$ -	\$ 188,759
Cash and Investments - Restricted	3,800	3,479	-	7,279
Receivable from County Treasurer	114	457	-	571
Accounts Receivable	12,390	-	-	12,390
Facilities Fees Receivable	-	15,000	-	15,000
Due from Other Districts - The Retreat MD #1	54	214	-	268
Prepaid Insurance	7,713	-	-	7,713
Property Tax Receivable	46,577	186,313	-	232,890
	<u>\$ 259,407</u>	<u>\$ 205,463</u>	<u>\$ -</u>	<u>\$ 464,870</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 12,276	\$ -	\$ -	\$ 12,276
Landscape Deposit	131,600	-	-	131,600
Prepaid Owner Fees	3,165	-	-	3,165
Total Liabilities	<u>147,041</u>	<u>-</u>	<u>-</u>	<u>147,041</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax	46,577	186,313	-	232,890
Total Deferred Inflows of Resources	<u>46,577</u>	<u>186,313</u>	<u>-</u>	<u>232,890</u>
FUND BALANCES				
Nonspendable:				
Prepaid Expense	7,713	-	-	7,713
Restricted for:				
Emergency Reserves	3,700	-	-	3,700
Debt Service	-	19,150	-	19,150
Unassigned	54,376	-	-	54,376
Total Fund Balances	<u>65,789</u>	<u>19,150</u>	<u>-</u>	<u>84,939</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 259,407</u>	<u>\$ 205,463</u>	<u>\$ -</u>	
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.				8,978,509
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.				
Accrued Interest				(537,783)
Bonds Payable				(8,216,000)
Developer Advance Payable				(1,002,326)
Net Position of Governmental Activities				<u>\$ (692,661)</u>

See accompanying Notes to Basic Financial Statements.

THE RETREAT METROPOLITAN DISTRICT NO. 2
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2023

	General	Debt Service	Capital Projects	Total Governmental Funds
REVENUES				
Property Taxes	\$ 14,234	\$ 56,937	\$ -	\$ 71,171
Specific Ownership Taxes	1,489	5,954	-	7,443
Interest Income	9,380	4,890	38,577	52,847
Working Capital Fees	19,800	-	-	19,800
Well Inspection Fees	1,400	-	-	1,400
Status Letter Fee	6,040	-	-	6,040
Landscape Review Fee	9,300	-	-	9,300
Homeowner Fees	53,146	-	-	53,146
Facilities Fees	-	116,000	-	116,000
Intergovernmental Revenues - The Retreat MD #1	7,284	29,089	-	36,373
Total Revenues	<u>122,073</u>	<u>212,870</u>	<u>38,577</u>	<u>373,520</u>
EXPENDITURES				
Current:				
Accounting	28,253	-	2,777	31,030
Auditing	4,900	-	-	4,900
Billing	15,749	-	-	15,749
County Treasurer's Fee	214	855	-	1,069
District Management	5,354	-	-	5,354
Dues and Membership	790	-	-	790
Election	2,094	-	-	2,094
Engineering	-	-	8,544	8,544
Insurance	7,875	-	-	7,875
Landscaping	2,595	-	-	2,595
Legal	10,382	-	-	10,382
Miscellaneous	300	-	-	300
Repairs and Maintenance	878	-	-	878
Snow Removal	1,275	-	-	1,275
Trash Collection	11,358	-	-	11,358
Utilities	7,709	-	-	7,709
Website	552	-	-	552
Status Letter Expenditure	6,110	-	-	6,110
Landscape Review Expenditure	9,000	-	-	9,000
Debt Service:				
Bond Interest	-	212,335	-	212,335
Paying Agent Fees	-	4,000	-	4,000
Capital Projects:				
Capital Outlay	-	-	3,309,221	3,309,221
Total Expenditures	<u>115,388</u>	<u>217,190</u>	<u>3,320,542</u>	<u>3,653,120</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	6,685	(4,320)	(3,281,965)	(3,279,600)
OTHER FINANCING SOURCES (USES)				
Developer Advance	-	-	952,267	952,267
Transfers In (Out)	(987)	-	987	-
Total Other Financing Sources (Uses)	<u>(987)</u>	<u>-</u>	<u>953,254</u>	<u>952,267</u>
NET CHANGE IN FUND BALANCES	5,698	(4,320)	(2,328,711)	(2,327,333)
Fund Balances - Beginning of Year	<u>60,091</u>	<u>23,470</u>	<u>2,328,711</u>	<u>2,412,272</u>
FUND BALANCES - END OF YEAR	<u>\$ 65,789</u>	<u>\$ 19,150</u>	<u>\$ -</u>	<u>\$ 84,939</u>

See accompanying Notes to Basic Financial Statements.

**THE RETREAT METROPOLITAN DISTRICT NO. 2
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023**

Net Change in Fund Balances - Total Governmental Funds \$ (2,327,333)

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 asset over the estimated useful life of the asset. Therefore, this is the amount of capital outlay, depreciation and dedication of capital assets to other governments, in the current period.

Capital Outlay 3,309,221

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

Developer Advance (952,267)

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

Accrued Interest Payable - Change in Liability (304,122)

Accrued Interest Payable Developer Advance - Change in Liability (50,059)

Changes in Net Position of Governmental Activities \$ (324,560)

**THE RETREAT METROPOLITAN DISTRICT NO. 2
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 14,234	\$ 14,234	\$ -
Specific Ownership Taxes	1,423	1,489	66
Interest Income	-	9,380	9,380
Working Capital Fees	20,400	19,800	(600)
Well Inspection Fees	2,200	1,400	(800)
Status Letter Fee	4,250	6,040	1,790
Landscape Review Fee	13,500	9,300	(4,200)
Landscape Assurance Deposit	211,500	-	(211,500)
Homeowner Fees	46,200	53,146	6,946
Intergovernmental Revenues - The Retreat MD #1	7,225	7,284	59
Total Revenues	<u>320,932</u>	<u>122,073</u>	<u>(198,859)</u>
EXPENDITURES			
Accounting	25,000	28,253	(3,253)
Auditing	5,000	4,900	100
Billing	-	15,749	(15,749)
Contingency	15,136	-	15,136
County Treasurer's Fee	214	214	-
District Management	6,000	5,354	646
Dues and Membership	1,500	790	710
Election	1,000	2,094	(1,094)
Insurance	4,200	7,875	(3,675)
Landscaping	-	2,595	(2,595)
Legal	28,000	10,382	17,618
Miscellaneous	-	300	(300)
Repairs and Maintenance	-	878	(878)
Snow Removal	-	1,275	(1,275)
Trash Collection	10,200	11,358	(1,158)
Well Inspection and Reporting	2,200	-	2,200
Status Letter Expenditure	4,250	6,110	(1,860)
Landscape Review Expenditure	-	9,000	(9,000)
Landscape Return of Deposit	211,500	-	211,500
Utilities	4,800	7,709	(2,909)
Website	1,000	552	448
Total Expenditures	<u>320,000</u>	<u>115,388</u>	<u>204,612</u>
EXCESS OF REVENUES OVER EXPENDITURES	932	6,685	5,753
OTHER FINANCING USES			
Transfers To Other Fund	-	(987)	(987)
Total Other Financing Uses	<u>-</u>	<u>(987)</u>	<u>(987)</u>
NET CHANGE IN FUND BALANCE	932	5,698	4,766
Fund Balance - Beginning of Year	<u>41,255</u>	<u>60,091</u>	<u>18,836</u>
FUND BALANCE - END OF YEAR	<u>\$ 42,187</u>	<u>\$ 65,789</u>	<u>\$ 23,602</u>

See accompanying Notes to Basic Financial Statements.

THE RETREAT METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 DEFINITION OF REPORTING ENTITY

The Retreat Metropolitan District No. 2 (the District), a quasi-municipal corporation and a political subdivision of the state of Colorado, was organized by order and decree of the District Court for the City of Colorado Springs, El Paso County, Colorado on December 17, 2019, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The Consolidated Service Plan, approved by the City of Colorado Springs on August 20, 2019, formed The Retreat Metropolitan Districts No. 1 and No. 2 (the Districts). The District was organized to provide planning, acquisition, construction, installation, relocation, redevelopment and financing of public improvements, including streets, water, sanitation, traffic and safety, park and recreation, mosquito control, television relay, transportation, security and fire protection, primarily for residential and commercial development.

The District was organized in conjunction with The Retreat Metropolitan District No. 1 (District No. 1) to serve the needs of the Greenways development for the purpose of financing, construction and operation of improvements and infrastructure serving the two districts. The District is responsible for managing the construction, operation and maintenance of all improvements not transferred to the City of Colorado Springs. District No. 1 is responsible for providing the funding and tax base needed to support the financing plan for capital improvements and to fund ongoing operations.

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-Wide and Fund Financial Statements

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

THE RETREAT METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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 collectable within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. Expenditures, other than interest on long-term obligations are recorded when the liability is incurred or the long-term obligation is due.

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

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

The Capital Projects Fund was established to account for financial resources to be used for the acquisition and construction of capital facilities.

THE RETREAT METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

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

The Budget for Debt Service and Capital Projects were both amended for 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 single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

Property Taxes

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

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

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Capital assets which are anticipated to be conveyed to other governmental entities are recorded as construction in progress, and are not included in the calculation of net investment in capital assets.

THE RETREAT METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

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 are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

The District does not depreciate its Construction in Progress capital assets.

Deferred Inflow 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 qualify for reporting in this category. Accordingly, the item, deferred property tax revenue, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Equity

Net Position

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

Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

Nonspendable Fund Balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

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

Committed Fund Balance – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

**THE RETREAT METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (Continued)

Assigned Fund Balance – The portion of fund balance that is constrained by the government’s intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

Unassigned Fund Balance – The residual portion of fund balance that does not meet any of the criteria described above.

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

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	\$ 188,759
Cash and Investments - Restricted	<u>7,279</u>
Total Cash and Investments	<u><u>\$ 196,038</u></u>

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

Deposits with Financial Institutions	\$ 24,673
Investments	<u>171,365</u>
Total Cash and Investments	<u><u>\$ 196,038</u></u>

Deposits with Financial Institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

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

As of December 31, 2023, the District’s cash deposits had a bank balance of \$23,671 and a carrying balance of \$24,673.

THE RETREAT METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments

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

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

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

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

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

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

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted-Average Under 60 Days	\$ 171,365

THE RETREAT METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

COLOTRUST

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (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 currently offers three portfolios – COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE.

COLOTRUST PRIME and COLOTRUST PLUS+, which operate similarly to a money market fund and each share is equal in value to \$1.00, offer daily liquidity. 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.

COLOTRUST EDGE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$10.00 transactional share price. COLOTRUST EDGE may invest in securities authorized by Section 24-75-601.1, C.R.S., including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, and highest rated commercial paper.

A designated custodial bank serves as custodian for the Trust’s 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 PRIME and COLOTRUST PLUS+ are rated AAAM by Standard & Poor’s. COLOTRUST EDGE is rated AAaf/S1 by FitchRatings. 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.

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	Increases	Decreases	Balance at December 31, 2023
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ 5,669,288	\$ 3,309,221	\$ -	\$ 8,978,509
Governmental Activities Capital Assets, Net	<u>\$ 5,669,288</u>	<u>\$ 3,309,221</u>	<u>\$ -</u>	<u>\$ 8,978,509</u>

**THE RETREAT METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 LONG-TERM OBLIGATIONS

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

	Balance at December 31, 2022	Additions	Reductions	Balance at December 31, 2023	Due Within One Year
Bonds Payable:					
General Obligation Bonds					
Series 2022A	\$ 8,216,000	\$ -	\$ -	\$ 8,216,000	\$ -
Accrued Interest					
Series 2022A	233,661	516,457	212,335	537,783	-
Subtotal Bonds Payable	<u>8,449,661</u>	<u>516,457</u>	<u>212,335</u>	<u>8,753,783</u>	<u>-</u>
Other Debts:					
Developer Advance - Capital	-	952,267	-	952,267	-
Accrued Interest on:					
Developer Advance - Capital	-	50,059	-	50,059	-
Subtotal Other Debts	<u>-</u>	<u>1,002,326</u>	<u>-</u>	<u>1,002,326</u>	<u>-</u>
Total Long-Term Obligations	<u><u>\$ 8,449,661</u></u>	<u><u>\$ 1,518,783</u></u>	<u><u>\$ 212,335</u></u>	<u><u>\$ 9,756,109</u></u>	<u><u>\$ -</u></u>

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

General Obligation Limited Tax Bonds, Series 2022A(3) (the 2022A Bonds)

Bond Proceeds

The District issued the 2022A Bonds on April 13, 2022, in the par amount of \$8,216,000. Proceeds from the sale of the 2022A Bonds were used to finance or reimburse a portion of the costs of acquiring, constructing, and installing certain public improvements to serve the development and to pay the costs of issuing the 2022A Bonds.

Pledge Agreement

The District, The Retreat Metropolitan District No. 1 (the Pledge District), and the Trustee entered into a Capital Pledge Agreement for the purpose of providing ad valorem property tax revenue derived from the taxable property of the Pledge District to pay, in combination with revenue of the District, debt service on the 2022A Bonds.

Details of the Bonds

The 2022A Bonds bear interest at the rate of 6.125% per annum payable annually on December 1, beginning on December 1, 2022, but only to the extent of available Pledged Revenue. The 2022A Bonds mature on December 1, 2051, and are subject to mandatory redemption to the extent of available Pledged Revenue.

**THE RETREAT METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Details of the Bonds (Continued)

The 2022A Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to the maturity date. Unpaid interest on the 2022A Bonds compounds annually on each December 1. All of the Bonds and interest thereon shall be deemed to be paid and discharged on December 2, 2061, regardless of the amount of principal and interest paid prior to this date.

The 2022A Bonds are subject to redemption prior to maturity, at the option of the District: (i) to the extent permitted by law, on June 1, 2025, upon payment of par and accrued interest calculated as of June 1, 2027, and a redemption premium of 3.00%, and (ii) on June 1, 2027, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed as follows:

<u>Date of Redemption</u>	<u>Redemption Period</u>
June 1, 2027 to May 31, 2028	3.00%
June 1, 2028 to May 31, 2029	2.00%
June 1, 2029 to May 31, 2030	1.00%
June 1, 2030 and thereafter	0.00%

Pledged Revenue

The 2022A Bonds are secured by and payable from moneys derived by the District from the following sources: (a) the Required Mill Levy; (b) the Pledged Fees; (c) the Capital Fees; (d) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Required Mill Levy; and (e) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Pledged Revenue.

Required Mill Levy

The District is required to impose an ad valorem mill levy upon all taxable property of the District each year in the amount of 40.000 mills (subject to adjustment to offset the effect of adjustments to the ratio between market value and assessed value of taxable property within the District that would cause a reduction in the revenue otherwise produced from such mill levy based on the ratio between market value and assessed value as of January 1, 2019) or such lesser mill levy which is sufficient to pay all of the principal of and interest on the Bonds in full. The Required Mill Levy is net of the collection costs of the County and any tax refunds or abatements authorized by or on behalf of the County.

Pledged Fees

Pledged Fees are the moneys derived from the Pledge District Capital Fees.

THE RETREAT METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Capital Fees

Capital Fees means all fees, rates, tolls, penalties, and charges of a capital nature (excluding periodic, recurring service charges) imposed by the District resulting from the Development Fees, as received by the District beginning January 1, 2022, and for so long as such Development Fees are in effect.

Development Fees are one-time system development fees imposed and collected by the District and the Pledge District in the amount of \$1,500 for each Rural Lot and \$2,500 for each Urban Lot which is due at the closing of such lot from the developer to the builder. A Rural Lot means any lot that is located within the boundaries of the Pledge District and that has its own well. An Urban Lot means any lot that is located within the boundaries of the District or that is located within the boundaries of the Pledge District which does not have its own well. Development Fees received by the respective District beginning January 1, 2022, are pledged to the repayment of the Bonds.

Events of Default

The occurrence of any one or more of the following events or the existence of any one or more of the following conditions shall constitute an event of default under the Indenture:

- i. The District fails or refuses to impose the required mill levy or to apply the pledged revenue as provided in the indenture.
- ii. The District defaults in the performance or observance of any other of the covenants, agreements, or conditions on the part of the District in the indenture or the bond resolution, and fails to remedy the same after notice thereof pursuant to the indenture.
- iii. The District files a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the obligation represented by the bonds.

It is acknowledged that due to the limited nature of the pledged revenue, the failure to pay the principal of or interest on the Bonds when due shall not, of itself, constitute an event of Default under the Indenture.

Upon the occurrence and continuance of an event of default, the trustee has the following rights and remedies which may be pursued:

- i. Receivership: Upon the filing of a bill in equity or other commencement of judicial proceedings to enforce the rights of the trustee and of the owners, the trustee is entitled to as a matter of right to the appointment of a receiver or receivers of the trust estate, and of the revenues, income, product, and profits there of pending such proceedings, subject however, to constitutional limitations inherent in the sovereignty of the District; but notwithstanding the appointment of any receiver or other custodian, the trustee is to be entitled to the possession and control of any cash, securities, or other instruments at the time held by, or payable or deliverable under the provisions of the indenture to the trustee.

THE RETREAT METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Events of Default (Continued)

- ii. Suit for judgment: The trustee may proceed to protect and enforce its rights and the rights of the owners by suit, action, or special proceedings as the trustee, being advised by counsel, deems appropriate.
- iii. Mandamus or other suit: The trustee may proceed by mandamus or any other suit, action, or proceeding at law or in equity, to enforce all rights of the owners.

No Acceleration

Notwithstanding the foregoing or anything else herein to the contrary, acceleration shall not be an available remedy for an Event of Default.

As of December 31, 2023, the District was not in default.

Bonds Debt Service

The annual debt service requirements of the Bonds are not currently determinable since they are payable only from available Pledged Revenue.

Developer Advances

Effective December 9, 2019, the District entered into a Facilities Funding and Acquisition Agreement (Facilities Agreement) with The Retreat Metropolitan District No.1, No. 2 and Timberridge Development Group, LLC (Developer) that will allow the Developer to advance the District funds necessary to construct and complete public improvements, which will be constructed and completed by The Retreat Metropolitan District No. 2. The Developer, in its sole discretion may, but shall not be obligated to, advance funds to the District to pay the costs of public improvements and any management, operating, and administrative expenses. Any sums advanced to the District or on behalf of the District prior to the date of this Agreement shall be considered advances pursuant to this Facilities Agreement.

Effective December 9, 2019, the District entered into a Reimbursement Agreement with The Retreat Metropolitan District No.1, No. 2 and Timberridge Development Group, LLC (Developer) that will allow the Developer to advance the District funds necessary to pay operating costs.

For both Agreements, the District agrees to repay the Developer along with a simple interest of 8% from the date of the advance or, in the event the Developer has paid construction or acquisition costs directly for public improvements constructed by third parties, such costs shall bear said interest from the date the completed improvements are accepted by the District. The Agreement does not constitute "debt" or a "multiple-fiscal year direct or indirect District debt or other financial obligations" within the meaning of the Colorado Constitution or any other Colorado law, and shall not constitute the District's pledge of funds from any specific source except as contemplated in the Agreement, including: 1) bond or note proceeds, 2) imposition of fees, charges, and general ad valorem taxes, and 3) the creation and maintenance of reserve and contingency funds.

As of December 31, 2023, outstanding Developer advance principal totaled \$952,267 and accrued interest totaled \$50,059.

THE RETREAT METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt

On November 5, 2019, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$1,120,000,000 at an interest rate not to exceed 12% per annum. At December 31, 2023, the District has authorized but unissued indebtedness for the following amounts allocated to the following purposes:

	Amount Authorized on November 5, 2019	Authorization Used for Series 2022A Bonds	Authorized But Unissued
Streets	\$ 80,000,000	\$ (1,684,280)	\$ 78,315,720
Water	80,000,000	(1,676,064)	78,323,936
Sanitation	80,000,000	(4,855,656)	75,144,344
Parks and Recreation	80,000,000	-	80,000,000
Traffic and Safety	80,000,000	-	80,000,000
Television Relay	80,000,000	-	80,000,000
Mosquito Control	80,000,000	-	80,000,000
Transportation	80,000,000	-	80,000,000
Security	80,000,000	-	80,000,000
Fire Protection	80,000,000	-	80,000,000
Operations and Maintenance	80,000,000	-	80,000,000
Revenue Debt	80,000,000	-	80,000,000
Special Assessment Debt	80,000,000	-	80,000,000
Debt Refunding	80,000,000	-	80,000,000
Total	<u>\$ 1,120,000,000</u>	<u>\$ (8,216,000)</u>	<u>\$ 1,111,784,000</u>

As set forth in the District 2019 Service Plan, the County has limited the amount of debt to be issued by the District to a total of \$14,500,000 without future approval from the County. The District may levy up to 50.000 mills for debt service and up to 10.000 mills for general operations and administrative expenses, subject to the Gallagher Adjustment.

NOTE 6 NET POSITION

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

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

Restricted Net Position:	
Emergencies	\$ 3,800
Total Restricted Net Position	<u>\$ 3,800</u>

THE RETREAT METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 6 NET POSITION (CONTINUED)

The District has a deficit unrestricted net position. This deficit amount is the result of the District being responsible for the repayment of bonds issued for public improvements, a portion of which will be conveyed to other governments, and for the repayment of Developer advances for operations.

NOTE 7 RELATED PARTY

The developer of the property which constitutes the District is Timberridge Development Group, LLC. The members of the Board of Directors are officers, employees or associated with the developer and may have conflicts of interest in dealing with the District.

On November 10, 2020 The District entered into a Private Stormwater Facility and Wetland Maintenance Agreement and Easement, with El Paso County, TimberRidge Development Group, LLC (the Developer) and SR Land, LLC. The Developer is responsible for constructing stormwater facilities, while the District will operate, maintain, and repair them. Easements are granted to the County and District for access and maintenance. The agreement mandates compliance with local regulations and requires the Developer to obtain necessary approvals before construction. The District must regularly inspect and maintain the facilities, with the County having the right to intervene if necessary. The Developer and District must indemnify the County and reimburse any costs incurred for maintenance. The District's obligations terminate upon transfer of the property to the City.

NOTE 8 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) as of December 31, 2023. 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 and public officials' liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

THE RETREAT METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 9 TAX, SPENDING, AND DEBT LIMITATIONS

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

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

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

On November 5, 2019, a majority of the District's electors passed an election question to increase the property taxes \$10,000,000 annually to pay the District's operations, maintenance, and other expenses. Additionally, the District's electors authorized the District to collect, retain, and spend all revenues without regard to any limitations under TABOR.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

SUPPLEMENTARY INFORMATION

**THE RETREAT METROPOLITAN DISTRICT NO. 2
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

	Original Budget	Amended Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Property Taxes	\$ 56,937	\$ 56,937	\$ 56,937	\$ -
Specific Ownership Taxes	5,694	5,752	5,954	202
Interest Income	1,400	2,300	4,890	2,590
Facilities Fees	103,500	100,000	116,000	16,000
Other Revenue	6,000	56,033	-	(56,033)
Intergovernmental Revenues - The Retreat MD #1	28,902	28,978	29,089	111
Total Revenues	<u>202,433</u>	<u>250,000</u>	<u>212,870</u>	<u>(37,130)</u>
EXPENDITURES				
County Treasurer's Fee	854	835	855	(20)
Paying Agent Fees	-	4,000	4,000	-
Bond Interest	195,579	245,165	212,335	32,830
Contingency	6,000	-	-	-
Total Expenditures	<u>202,433</u>	<u>250,000</u>	<u>217,190</u>	<u>32,810</u>
NET CHANGE IN FUND BALANCE	-	-	(4,320)	(4,320)
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>23,470</u>	<u>23,470</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,150</u>	<u>\$ 19,150</u>

**THE RETREAT METROPOLITAN DISTRICT NO. 2
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

	Original Budget	Amended Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Interest Income	\$ 15,000	\$ 38,578	\$ 38,577	\$ (1)
Total Revenues	<u>15,000</u>	<u>38,578</u>	<u>38,577</u>	<u>(1)</u>
EXPENDITURES				
Accounting	5,000	2,778	2,777	1
Engineering	10,000	8,506	8,544	(38)
Legal	1,000	-	-	-
Capital Outlay	2,223,026	3,388,716	3,309,221	79,495
Total Expenditures	<u>2,239,026</u>	<u>3,400,000</u>	<u>3,320,542</u>	<u>79,458</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,224,026)	(3,361,422)	(3,281,965)	79,457
OTHER FINANCING SOURCES (USES)				
Developer Advance	-	1,137,396	952,267	(185,129)
Transfers From Other Funds	-	-	987	987
Total Other Financing Sources (Uses)	<u>-</u>	<u>1,137,396</u>	<u>953,254</u>	<u>(184,142)</u>
NET CHANGE IN FUND BALANCE	(2,224,026)	(2,224,026)	(2,328,711)	(104,685)
Fund Balance - Beginning of Year	<u>2,224,026</u>	<u>2,224,026</u>	<u>2,328,711</u>	<u>104,685</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

OTHER INFORMATION

**THE RETREAT METROPOLITAN DISTRICT NO. 2
SCHEDULE OF ASSESSED VALUATION,
MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2023**

Year Ended December 31,	Assessed Valuation	Percent Change	Total Mills Levied		Total Property Taxes		Percent Collected to Levied
			General Operations	Debt Service	Levied	Collected	
2020/2021	\$ 3,340		10.000	40.000	\$ 167	\$ 167	100.00 %
2021/2022	744,270	22183.5%	10.069	40.279	37,472	37,472	100.00 %
2022/2023	1,423,420	91.3%	10.000	40.000	71,171	71,171	100.00 %
Estimated for Year Ending December 31, 2024	\$ 4,172,840	193.2%	10.000	40.000	\$ 232,890		

Note:

Property taxes collected in any one year include collection of delinquent property taxes levied in prior years. Information received from the Treasurer does not permit identification of specific year of levy.

Source: El Paso County Assessor and Treasurer