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

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2025

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BiggsKofford

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, 2025, 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, 2025, 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 LLP

Colorado Springs, Colorado
July 29, 2026

BASIC FINANCIAL STATEMENTS

THE RETREAT METROPOLITAN DISTRICT NO. 2
STATEMENT OF NET POSITION
DECEMBER 31, 2025

	Governmental Activities
ASSETS	
Cash and Investments	$ 264,514
Cash and Investments - Restricted	20,509
Receivable from County Treasurer	2,283
Accounts Receivable	20,573
Due from Other Districts - The Retreat MD #1	706
Other Receivable	1,100
Property Tax Receivable	385,624
Prepaid Insurance	7,088
Capital Assets:	
Construction in Progress	4,997,236
Capital Assets Net of Depreciation	2,109,674
Total Assets	7,809,307
LIABILITIES	
Accounts Payable	27,857
Landscape Deposit	178,600
Prepaid Owner Fees	1,051
Noncurrent Liabilities:	
Due in More Than One Year	15,707,246
Total Liabilities	15,914,754
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	385,624
Total Deferred Inflows of Resources	385,624
NET POSITION	
Net Investment in Capital Assets	(13,268)
Restricted for:	
Emergency Reserve	7,000
Unrestricted	(8,484,803)
Total Net Position	$ (8,491,071)

See accompanying Notes to Basic Financial Statements.

THE RETREAT METROPOLITAN DISTRICT NO. 2
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

		Program Revenues			Net Revenues (Expenses) and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
FUNCTIONS/PROGRAMS					
Primary Government:					
Governmental Activities:					
General Government	$ 212,815	$ 107,003	$ 128,400	$ -	$ 22,588
Transfer of Public Improvements to Another Government	6,988,064	-	-	-	(6,988,064)
Interest on Long-Term Debt and Related Costs	955,149	-	-	-	(955,149)
Total Governmental Activities	$ 8,156,028	$ 107,003	$ 128,400	$ -	(7,920,625)
GENERAL REVENUES					
Property Taxes					298,120
Specific Ownership Taxes					28,646
Interest Income					20,187
Intergovernmental Revenues - The Retreat MD #1					100,743
Total General Revenues and Transfers					447,696
CHANGES IN NET POSITION					(7,472,929)
Net Position - Beginning of Year					(1,018,142)
NET POSITION - END OF YEAR					$ (8,491,071)

See accompanying Notes to Basic Financial Statements.

THE RETREAT METROPOLITAN DISTRICT NO. 2
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and Investments	$ 264,514	$ -	$ -	$ 264,514
Cash and Investments - Restricted	7,000	13,509	-	20,509
Receivable from County Treasurer	457	1,826	-	2,283
Accounts Receivable	20,573	-	-	20,573
Due from Other Districts - The Retreat MD #1	141	565	-	706
Other Receivable	1,100	-	-	1,100
Property Tax Receivable	74,960	310,664	-	385,624
Prepaid Insurance	7,088	-	-	7,088
Total Assets	$ 375,833	$ 326,564	$ -	$ 702,397
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	$ 27,857	$ -	$ -	$ 27,857
Landscape Deposit	178,600	-	-	178,600
Prepaid Owner Fees	1,051	-	-	1,051
Total Liabilities	207,508	-	-	207,508
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax	74,960	310,664	-	385,624
Total Deferred Inflows of Resources	74,960	310,664	-	385,624
FUND BALANCES				
Nonspendable:				
Prepaid Expense	7,088	-	-	7,088
Restricted for:				
Emergency Reserves	7,000	-	-	7,000
Debt Service	-	15,900	-	15,900
Assigned to:				
Subsequent Year's Expenditures	4,323	-	-	4,323
Unassigned	74,954	-	-	74,954
Total Fund Balances	93,365	15,900	-	109,265
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 375,833	$ 326,564	$ -	
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.				
Construction in Progress				4,997,236
Capital Assets Net of Depreciation				2,109,674
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				(842,092)
Bonds Payable				(8,216,000)
Developer Advance Payable				(6,649,154)
Net Position of Governmental Activities				$ (8,491,071)

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, 2025

	General	Debt Service	Capital Projects	Total Governmental Funds
REVENUES				
Property Taxes	$ 59,624	$ 238,496	$ -	$ 298,120
Specific Ownership Taxes	5,729	22,917	-	28,646
Interest Income	9,585	10,602	-	20,187
Working Capital Fees	29,400	-	-	29,400
Well Reading Fees	1,800	-	-	1,800
Status Letter Fee	195	-	-	195
Landscape Review Fee	13,500	-	-	13,500
Homeowner Fees	91,508	-	-	91,508
Facilities Fees	-	99,000	-	99,000
Intergovernmental Revenues - The Retreat MD #1	20,797	79,946	-	100,743
Total Revenues	232,138	450,961	-	683,099
EXPENDITURES				
Current:				
Accounting	43,984	-	-	43,984
Auditing	5,940	-	-	5,940
Billing	24,305	-	-	24,305
County Treasurer's Fee	897	3,586	-	4,483
District Management	8,765	-	-	8,765
Dues and Membership	820	-	-	820
Election	1,669	-	-	1,669
Engineering	-	-	11,500	11,500
Insurance	7,781	-	-	7,781
Landscaping	24,959	-	-	24,959
Legal	15,931	-	-	15,931
Repairs and Maintenance	250	-	-	250
Snow Removal	978	-	-	978
Social Events	2,926	-	-	2,926
Trash Collection	21,745	-	-	21,745
Utilities	13,362	-	-	13,362
Water - Non Utilities	3,162	-	-	3,162
Website	3,373	-	-	3,373
Landscape Review Expenditure	7,200	-	-	7,200
Debt Service:				
Bond Interest	-	432,562	-	432,562
Paying Agent Fees	-	4,000	-	4,000
Capital Projects:				
Capital Outlay	-	-	3,022,430	3,022,430
Total Expenditures	188,047	440,148	3,033,930	3,662,125
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	44,091	10,813	(3,033,930)	(2,979,026)
OTHER FINANCING SOURCES (USES)				
Developer Advance	-	-	3,022,430	3,022,430
Transfers From (To) Other Funds	(11,500)	-	11,500	-
Total Other Financing Sources (Uses)	(11,500)	-	3,033,930	3,022,430
NET CHANGE IN FUND BALANCES	32,591	10,813	-	43,404
Fund Balances - Beginning of Year	60,774	5,087	-	65,861
FUND BALANCES - END OF YEAR	$ 93,365	$ 15,900	$ -	$ 109,265

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, 2025

Net Change in Fund Balances - Total Governmental Funds	$ 43,404
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	3,022,430
Depreciation Expense	(13,268)
Transfer of Public Improvements to Other Governments	(6,988,064)
The issuance of long-term debt (e.g., bonds, receipt of developer advances) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these differences in the treatment of long-term debt and related items is as follows:	
Developer Advance	(3,022,430)
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	(113,255)
Accrued Interest Payable Developer Advance - Change in Liability	(401,746)
Changes in Net Position of Governmental Activities	$ (7,472,929)

See accompanying Notes to Basic Financial Statements.

THE RETREAT METROPOLITAN DISTRICT NO. 2
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	$ 59,772	$ 59,624	$ (148)
Specific Ownership Taxes	5,977	5,729	(248)
Interest Income	12,000	9,585	(2,415)
Working Capital Fees	21,600	29,400	7,800
Well Reading Fees	1,200	1,800	600
Status Letter Fee	-	195	195
Landscape Review Fee	10,800	13,500	2,700
Landscape Assurance Deposit	169,200	-	(169,200)
Homeowner Fees	80,000	91,508	11,508
Intergovernmental Revenues - The Retreat MD #1	20,024	20,797	773
Total Revenues	380,573	232,138	(148,435)
EXPENDITURES			
Accounting	34,650	43,984	(9,334)
Auditing	5,775	5,940	(165)
Billing	27,192	24,305	2,887
Contingency	23,458	-	23,458
County Treasurer's Fee	897	897	-
District Management	9,000	8,765	235
Dues and Membership	1,230	820	410
Election	2,000	1,669	331
Insurance	8,484	7,781	703
Landscaping	27,784	24,959	2,825
Legal	24,150	15,931	8,219
Repairs and Maintenance	-	250	(250)
Snow Removal	8,400	978	7,422
Social Events	5,000	2,926	2,074
Trash Collection	22,500	21,745	755
Well Inspection And Reporting	1,200	-	1,200
Status Letter Expenditure	780	-	780
Landscape Review Expenditure	10,800	7,200	3,600
Landscape Return Of Deposit	169,200	-	169,200
Utilities	10,400	13,362	(2,962)
Water - Non Utilities	-	3,162	(3,162)
Website	2,100	3,373	(1,273)
Total Expenditures	395,000	188,047	206,953
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(14,427)	44,091	58,518
OTHER FINANCING SOURCES (USES)			
Transfers To Other Fund	-	(11,500)	(11,500)
Total Other Financing (Uses)	-	(11,500)	(11,500)
NET CHANGE IN FUND BALANCE	(14,427)	32,591	47,018
Fund Balance - Beginning of Year	60,769	60,774	5
FUND BALANCE - END OF YEAR	$ 46,342	$ 93,365	$ 47,023

See accompanying Notes to Basic Financial Statements.

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.

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.

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 District amended its annual budget for the year ending December 31, 2025.

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 inflows 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.

District Service Fees

During 2025, the District collected working capital fees of $600 upon each transfer of property ownership. From those sales in which a builder is the seller, the District collects a $5,000 landscape assurance fee, of which $300 is retained for landscape review and the remaining $4,700 is returned upon satisfactory landscape installation. Additionally, each year the District collects $200 for well readings on each lot with a well. Every quarter, the District collects $150 from all homeowners residing in the District.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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.

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

Parks and Recreation	40 Years

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.

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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (Continued)

The following classifications describe the relative strength of the spending constraints:

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

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

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

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

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

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

Adoption of New Accounting Standards

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures* (Statement 102). Statement 102 requires note disclosure when (a) a concentration or constraint is known prior to issuance of the financial statements, (b) it makes the reporting unit vulnerable to the risk of a substantial impact, and (c) an event associated with the concentration or constraint has occurred, has begun to occur, or is more likely than not to begin to occur within 12 months of issuance.

The District adopted the requirements of the guidance effective January 1, 2025, and has elected to apply the provisions of this standard to the beginning of the period of adoption. Management performed the analysis required under Statement 102 and did not identify any concentrations or constraints that require disclosure.

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2025 are classified in the accompanying financial statements as follows:

Statement of Net Position:		
Cash and Investments	$	264,514
Cash and Investments - Restricted		20,509
Total Cash and Investments	$	285,023

Cash and investments as of December 31, 2025 consist of the following:

Deposits with Financial Institutions	$	24,180
Investments		260,843
Total Cash and Investments	$	285,023

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, 2025, the District's cash deposits had a bank and carrying balance of $24,180.

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.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

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, 2025, the District had the following investments:

Investment	Maturity	Amount
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted-Average Under 60 Days	$ 260,843
Total		$ 260,843

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.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

COLOTRUST (Continued)

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, 2025 follows:

	Balance at December 31, 2024	Increases	Decreases	Transfers	Balance at December 31, 2025
Governmental Activities:					
Construction in Progress:					
Streets	$ -	$ -	$ (4,262,075)	$ 7,941,302	$ 3,679,227
Water	-	-	(2,147,281)	2,696,799	549,518
Sanitary Sewer	-	-	(578,708)	812,323	233,615
Parks and Recreation	-	-	-	534,876	534,876
Construction in Progress	11,085,812	3,022,430	-	(14,108,242)	-
Total Construction in Progress	11,085,812	3,022,430	(6,988,064)	(2,122,942)	4,997,236
Capital Assets, Being Depreciated:					
Parks and Recreation	-	-	-	2,122,942	2,122,942
Total Capital Assets, Being Depreciated	-	-	-	2,122,942	2,122,942
Less Accumulated Depreciation for:					
Accumulated Depreciation - Parks and Recreation	-	13,268	-	-	13,268
Total Accumulated Depreciation	-	13,268	-	-	13,268
Total Capital Assets Net of Depreciation	-	(13,268)	-	2,122,942	2,109,674
Governmental Activities Capital Assets, Net	$ 11,085,812	$ 3,009,162	$ (6,988,064)	$ -	$ 7,106,910

During the year ended December 31, 2025, infrastructure assets were fully accepted by another government and were reported as transfer of public improvements to another government in the Statement of Activities. Amounts were also reclassified between capital assets, not being depreciated categories and all amounts with the exception of parks and recreation assets will be transferred to another government once fully accepted.

NOTE 4 CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to the functions/programs of the primary government as follows:

Governmental Activities:	
General Government	$ 13,268

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, 2025:

	Balance at December 31, 2024	Additions	Reductions	Balance at December 31, 2025	Due Within One Year
Bonds Payable:					
General Obligation Bonds					
Series 2022A	$ 8,216,000	$ -	$ -	$ 8,216,000	$ -
Accrued Interest					
Series 2022A	728,837	545,817	432,562	842,092	-
Subtotal of Bonds Payable	8,944,837	545,817	432,562	9,058,092	-
Other Debts:					
Developer Advance - Capital	3,059,570	3,022,430	-	6,082,000	-
Accrued Interest on:					
Developer Advance - Capital	165,408	401,746	-	567,154	-
Subtotal Other Debts	3,224,978	3,424,176	-	6,649,154	-
Total Long-Term Obligations	$ 12,169,815	$ 3,969,993	$ 432,562	$ 15,707,246	$ -

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.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

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 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:

Date of Redemption	Redemption Period
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.

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.

Effective November 11, 2024, the District resolved to impose the Development Fee on each Semi-Rural lot in the amount of $2,000. On November 11, 2024, the District also redefined each type of lot as follows. Rural lot means any lot that is located within the boundaries of the Pledge District and that has its own well and its own septic. Semi-Rural lot means any lot that is located within the boundaries of the Pledge District that does not have its own well but does have its own septic. Urban lot means any lot that is located within the District or the Pledge District that does not have its own well or its own septic.

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.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Events of Default (Continued)

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 thereof pending such proceedings, subject however, to constitutional limitations inherent in the sovereignty of the District; but not withstanding 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.
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, 2025, 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.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Developer Advances (Contined)

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. The term of this Facilities Agreement shall commence on the date hereof and remain in effect through December 31, 2049, unless earlier terminated by the parties through mutual written agreement. Any outstanding balances related to the Facilities Agreement shall be written off as of December 31, 2049.

As of December 31, 2025, outstanding Developer advance principal totaled $6,082,000 and accrued interest totaled $567,154.

Authorized Debt

Pursuant to the Service Plan, the District is permitted to issue bond indebtedness of up to $14,500,000 (Service Plan Debt Issuance Limit). In no event is the District authorized to issue debt in excess of the Service Plan Debt Issuance Limit, with the exception that such limit is not applicable to refundings of the debt authorized to be issued under the Service Plan.

The District has voter authorization in excess of the Service Plan Debt Issuance Limit as at the time of the election, the actual costs of construction were not known. Without knowing the costs of construction, it is not possible to allocate the Service Plan Debt Issuance Limit by power (such as water, sewer or streets). Therefore, the Service Plan Debt Issuance Limit was voted in every power relative to debt for public improvements. With that understanding, on November 5, 2019, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed $ 1,280,000,000 at an interest rate not to exceed 12% per annum. At December 31, 2025, the District had authorized but unissued indebtedness of $1,271,784,000.

NOTE 6 NET POSITION

The District has net position consisting of three components – net investment in capital assets, restricted and unrestricted.

NOTE 6 NET POSITION (CONTINUED)

Net investment in capital assets consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balance of bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of assets. As of December 31, 2025, the District had net investment in capital assets calculated as follows:

	Governmental Activities
Net Investment in Capital Assets:	
Capital Assets, Net	$ 2,644,550
Noncurrent Portion of Outstanding Long-Term Obligations	(2,657,818)
Net Investment in Capital Assets	$ (13,268)

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, 2025 as follows:

	Governmental Activities
Restricted Net Position:	
Emergencies	$ 7,000
Total Restricted Net Position	$ 7,000

The District has a deficit in 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 INTERFUND TRANSFERS

The transfer from the General Fund to the Capital Projects Fund was to pay for certain capital expenditures.

NOTE 9 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, 2025. 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.

NOTE 10 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.

NOTE 10 TAX, SPENDING, AND DEBT LIMITATIONS (CONTINUED)

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.

Section 29-1-1702, C.R.S., contains limitations on revenues generated from property tax revenues that apply to certain local governments within the state of Colorado.

Annual operating property tax revenue is limited to a 5.25% increase (10.5% increase over a two-year period), such increase is determined based on a prior assessment period and adjusted for allowable exclusions and exemptions from qualified property tax revenues.

The District's management believes it is in compliance with the provisions of Section 29-1-1702, C.R.S. However, this section of the C.R.S. is complex and subject to 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, 2025

	Budget		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Property Taxes	$ 239,087	$ 238,496	$ 238,496	$ -
Specific Ownership Taxes	23,909	22,917	22,917	-
Interest Income	4,521	10,602	10,602	-
Facilities Fees	68,000	99,000	99,000	-
Other Revenue	12,438	9,852	-	(9,852)
Intergovernmental Revenues - The Retreat MD #1	80,045	79,946	79,946	-
Total Revenues	428,000	460,813	450,961	(9,852)
EXPENDITURES				
County Treasurer's Fee	3,586	3,586	3,586	-
Paying Agent Fees	4,000	4,000	4,000	-
Bond Interest	407,976	432,562	432,562	-
Contingency	12,438	9,852	-	9,852
Total Expenditures	428,000	450,000	440,148	9,852
NET CHANGE IN FUND BALANCE	-	10,813	10,813	-
Fund Balance - Beginning of Year	-	5,087	5,087	-
FUND BALANCE - END OF YEAR	$ -	$ 15,900	$ 15,900	$ -

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, 2025

	Budget		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Total Revenues	$ -	$ -	$ -	$ -
EXPENDITURES				
Engineering	-	11,500	11,500	-
Capital Outlay	-	3,022,430	3,022,430	-
Contingency	-	66,070	-	66,070
Total Expenditures	-	3,100,000	3,033,930	66,070
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(3,100,000)	(3,033,930)	66,070
OTHER FINANCING SOURCES (USES)				
Developer Advance	-	3,088,500	3,022,430	(66,070)
Transfers From Other Funds	-	11,500	11,500	-
Total Other Financing Sources (Uses)	-	3,100,000	3,033,930	(66,070)
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	$ -	$ -	$ -	$ -

OTHER INFORMATION

THE RETREAT METROPOLITAN DISTRICT NO. 2
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2025

			Total Mills Levied		Total Property Taxes		Percent
Year Ended December 31,	Assessed Valuation	Percent Change	General Operations	Debt Service	Levied	Collected	Collected to Levied
2020/2021	$ 3,340	0.0%	10.000	40.000	$ 167	$ 167	100%
2021/2022	744,270	22183.5%	10.069	40.279	37,473	37,472	100%
2022/2023	1,423,420	91.3%	10.000	40.000	71,171	71,171	100%
2023/2024	4,172,840	193.2%	11.162	44.649	232,890	234,181	101%
2024/2025	5,304,090	27.1%	11.269	45.076	298,859	298,120	100%
Estimated for Year Ending December 31, 2026	$ 6,856,870	29.3%	10.932	45.307	$ 385,624		

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