

LETTER OF BUDGET TRANSMITTAL

Date: January 30, 2024

To: Division of Local Government  
1313 Sherman Street, Room 521  
Denver, Colorado 80203

Attached are the 2024 budget and budget message for THE RETREAT METROPOLITAN DISTRICT NO. 2 in El Paso County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on November 17, 2023. If there are any questions on the budget, please contact:

CliftonLarsonAllen LLP  
Attn: Carrie Bartow  
121 S Tejon Street, Suite 1100  
Colorado Springs, CO 80903  
Tel.: 719-635-0330

I, George Lenz, as President of The Retreat Metropolitan District No. 2, hereby certify that the attached is a true and correct copy of the 2024 budget.

By: George Lenz

**RESOLUTION  
TO ADOPT 2024 BUDGET, APPROPRIATE SUMS OF MONEY,  
AND AUTHORIZE THE CERTIFICATION OF THE TAX LEVY  
THE RETREAT METROPOLITAN DISTRICT NO. 2**

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

WHEREAS, the Board of Directors of The Retreat Metropolitan District No. 2 has authorized its consultants to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget has been submitted to the Board of Directors of the District for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on November 17, 2023 and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or planned to be expended from reserves or fund balances so that the budget remains in balance, as required by law; and

WHEREAS, the amount of money necessary to balance the budget for general operating purposes from property tax revenue is \$46,577; and

WHEREAS, the Board of Directors finds that it is required to temporarily lower the operating mill levy to render a refund for \$0; and

WHEREAS, the amount of money necessary to balance the budget for voter-approved bonds and interest is \$0; and

WHEREAS, the amount of money necessary to balance the budget for contractual obligation purposes from property tax revenue as approved by voters from property tax revenue is \$186,313; and

WHEREAS, the amount of money necessary to balance the budget for capital expenditure purposes from property tax revenue as approved by voters or at public hearing is \$0; and

WHEREAS, the amount of money necessary to balance the budget for refunds/abatements is \$0; and

WHEREAS, the 2023 valuation for assessment for the District as certified by the County Assessor of El Paso is \$4,172,840; and

WHEREAS, at an election held on November 5, 2019, the District has eliminated the revenue and expenditure limitations imposed on governmental entities by Article X, Section 20 of the Colorado Constitution and Section 29-1-301, C.R.S., as amended.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE RETREAT METROPOLITAN DISTRICT NO. 2 OF EL PASO COUNTY, COLORADO:

Section 1. Adoption of Budget. That the budget as submitted, and attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted as the budget of The Retreat Metropolitan District No. 2 for calendar year 2024.

Section 2. Budget Revenues. That the estimated revenues for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 3. Budget Expenditures. That the estimated expenditures for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 4. Levy of General Property Taxes. That the Board of Directors does hereby certify the levy of general property taxes for collection in 2024 as follows:

A. Levy for General Operating and Other Expenses. That for the purposes of meeting all general operating expense of the District during the 2024 budget year, there is hereby levied a tax of 11.162 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2023.

B. Temporary Tax Credit or Rate Reduction. That pursuant to Section 39-1-111.5, C.R.S. for the purposes of effect of a refund for the purposes set forth in Section 20 of Article X of the Colorado Constitution, there is hereby certified a temporary property tax credit or temporary mill levy rate reduction of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2023.

C. Levy for General Obligation Bonds and Interest. That for the purposes of meeting all debt retirement expense of the District during the 2024 budget year, as the funding requirements of the current outstanding general obligation indebtedness is detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2023.

D. Levy for Contractual Obligations. That for the purposes of meeting the contractual obligation expense of the District during the 2024 budget year, as detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 44.649 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2023.

E. Levy for Capital Expenditures. That for the purposes of meeting all capital expenditures of the District during the 2024 budget year pursuant to Section 29-1-301(1.2) or 29-1-302(1.5), C.R.S., there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2023.

F. Levy for Refunds/Abatements. That for the purposes of recoupment of refunds/abatements of taxes pursuant to Section 39-10-114(1)(a)(I)(B), C.R.S., there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2023.

Section 5. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

Section 6. Certification. That the appropriate officers of the District are hereby authorized and directed to certify to the Board of County Commissioners of El Paso County, Colorado, the mill levies for the District herein above determined and set, or be authorized and directed to certify to the Board of County Commissioners of El Paso County, Colorado, as herein above determined and set, but as recalculated as needed upon receipt of the final certification of valuation from the County Assessor in order to comply with any applicable revenue and other budgetary limits or to implement the intent of the District. That said certification shall be in substantially the form set out and attached hereto and incorporated herein by this reference.

Section 7. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

*[remainder of page intentionally left blank; signature page follows]*

ADOPTED this 17<sup>th</sup> day of November 2023.

THE RETREAT METROPOLITAN  
DISTRICT NO. 2

*George lenz*

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President

ATTEST:

*Gerald Richardson*

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Secretary

ATTACH COPY OF THE ADOPTED BUDGET AND  
THE CERTIFICATION OF TAX LEVIES

**THE RETREAT METROPOLITAN DISTRICT NO. 2**

**ANNUAL BUDGET**

**FOR THE YEAR ENDING DECEMBER 31, 2024**

**THE RETREAT METROPOLITAN DISTRICT NO. 2  
SUMMARY  
2024 BUDGET  
WITH 2022 ACTUAL AND 2023 ESTIMATED  
For the Years Ended and Ending December 31,**

1/22/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 79,563	\$ 2,412,271	\$ 53,008
REVENUES			
Property taxes	37,472	71,171	232,890
Specific ownership taxes	3,896	7,190	23,289
Working capital fees	34,800	21,000	20,400
Well inspection fees	2,976	1,000	2,200
Status Letter Fee	7,250	6,825	6,630
Landscape Review Fee	17,400	7,200	13,500
Landscape assurance deposit	122,200	112,800	211,500
Interest income	88,874	49,878	12,623
Developer advance	-	952,267	3,000,000
Facilities fees	102,000	100,000	103,500
Other revenue	-	-	21,628
Intergovernmental revenues	19,153	36,233	70,456
Bond issuance proceeds	8,216,000	-	-
Homeowner fees	24,833	46,200	63,000
Total revenues	<u>8,676,854</u>	<u>1,411,764</u>	<u>3,781,616</u>
TRANSFERS IN	<u>-</u>	<u>949</u>	<u>-</u>
Total funds available	<u>8,756,417</u>	<u>3,824,984</u>	<u>3,834,624</u>
EXPENDITURES			
General Fund	244,157	233,086	393,700
Debt Service Fund	128,410	217,436	387,000
Capital Projects Fund	5,971,579	3,320,505	3,000,000
Total expenditures	<u>6,344,146</u>	<u>3,771,027</u>	<u>3,780,700</u>
TRANSFERS OUT	<u>-</u>	<u>949</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>6,344,146</u>	<u>3,771,976</u>	<u>3,780,700</u>
ENDING FUND BALANCES	<u>\$ 2,412,271</u>	<u>\$ 53,008</u>	<u>\$ 53,924</u>
EMERGENCY RESERVE	\$ 6,800	\$ 6,900	\$ 11,900
AVAILABLE FOR OPERATIONS	53,291	46,108	42,024
TOTAL RESERVE	<u>\$ 60,091</u>	<u>\$ 53,008</u>	<u>\$ 53,924</u>

No assurance provided. See summary of significant assumptions.



**THE RETREAT METROPOLITAN DISTRICT NO. 2**  
**PROPERTY TAX SUMMARY INFORMATION**  
**2024 BUDGET**  
**WITH 2022 ACTUAL AND 2023 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/22/24

ACTUAL	ESTIMATED	BUDGET
2022	2023	2024

**ASSESSED VALUATION**

Residential	\$ -	\$ 216,000	\$ 2,580,560
Commercial	-	-	28,620
State assessed	-	46,710	23,260
Vacant land	744,270	1,160,710	1,540,400
	744,270	1,423,420	4,172,840
Certified Assessed Value	\$ 744,270	\$ 1,423,420	\$ 4,172,840

**MILL LEVY**

General	10.069	10.000	11.162
Debt Service	40.279	40.000	44.649
Total mill levy	50.348	50.000	55.811

**PROPERTY TAXES**

General	\$ 7,494	\$ 14,234	\$ 46,577
Debt Service	29,978	56,937	186,313
Levied property taxes	37,472	71,171	232,890
Adjustments to actual/rounding	-	-	-
Budgeted property taxes	\$ 37,472	\$ 71,171	\$ 232,890

**BUDGETED PROPERTY TAXES**

<b>General</b>	<b>\$ 7,494</b>	<b>\$ 14,234</b>	<b>\$ 46,577</b>
<b>Debt Service</b>	<b>29,978</b>	<b>56,937</b>	<b>186,313</b>
	<b>\$ 37,472</b>	<b>\$ 71,171</b>	<b>\$ 232,890</b>

**THE RETREAT METROPOLITAN DISTRICT NO. 2**  
**GENERAL FUND**  
**2024 BUDGET**  
**WITH 2022 ACTUAL AND 2023 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/22/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 79,263	\$ 60,091	\$ 53,008
<b>REVENUES</b>			
Property taxes	7,494	14,234	46,577
Specific ownership taxes	779	1,438	4,658
Interest income	3,422	9,000	12,000
Working capital fees	34,800	21,000	20,400
Well inspection fees	2,976	1,000	2,200
Status Letter Fee	7,250	6,825	6,630
Landscape Review Fee	17,400	7,200	13,500
Landscape assurance deposit	122,200	112,800	211,500
Homeowner fees	24,833	46,200	63,000
Intergovernmental revenues	3,831	7,255	14,151
Total revenues	224,985	226,952	394,616
Total funds available	304,248	287,043	447,624
<b>EXPENDITURES</b>			
General and administrative			
Accounting	27,060	30,000	33,000
Auditing	-	4,900	5,500
County Treasurer's fee	112	214	699
Billing	10,461	14,000	21,000
Dues and membership	773	790	1,500
Insurance	4,122	7,875	8,000
District management	3,040	6,000	7,000
Legal	20,452	15,000	23,000
Election	841	2,094	-
Repay developer advance	20,146	-	-
Contingency	-	-	17,051
Intergovernmental expenditures	9,879	-	-
Website	1,306	1,000	2,000
Operations and maintenance			
Trash Collection	4,126	11,088	15,120
Landscaping	-	3,000	10,000
Well inspection and reporting	1,074	1,000	2,200
Status Letter Expenditure	7,125	6,825	6,630
Landscape review expenditure	6,300	7,200	13,500
Landscape return of deposit	122,200	112,800	211,500
Snow removal	-	2,500	8,000
Utilities	5,140	6,800	8,000
Total expenditures	244,157	233,086	393,700
<b>TRANSFERS OUT</b>			
Transfers to other fund	-	949	-
Total expenditures and transfers out requiring appropriation	244,157	234,035	393,700
ENDING FUND BALANCES	\$ 60,091	\$ 53,008	\$ 53,924
EMERGENCY RESERVE	\$ 6,800	\$ 6,900	\$ 11,900
AVAILABLE FOR OPERATIONS	53,291	46,108	42,024
TOTAL RESERVE	\$ 60,091	\$ 53,008	\$ 53,924

No assurance provided. See summary of significant assumptions.

**THE RETREAT METROPOLITAN DISTRICT NO. 2  
DEBT SERVICE FUND  
2024 BUDGET  
WITH 2022 ACTUAL AND 2023 ESTIMATED  
For the Years Ended and Ending December 31,**

1/22/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 300	\$ 23,469	\$ -
<b>REVENUES</b>			
Property taxes	29,978	56,937	186,313
Specific ownership taxes	3,117	5,752	18,631
Interest income	1,162	2,300	623
Facilities fees	102,000	100,000	103,500
Other revenue	-	-	21,628
Intergovernmental revenues	15,322	28,978	56,305
Total revenues	151,579	193,967	387,000
Total funds available	151,879	217,436	387,000
<b>EXPENDITURES</b>			
General and administrative			
County Treasurer's fee	450	835	2,795
Paying agent fees	-	4,000	4,000
Contingency	-	-	21,628
Debt Service			
Bond interest	127,960	212,601	358,577
Total expenditures	128,410	217,436	387,000
Total expenditures and transfers out requiring appropriation	128,410	217,436	387,000
ENDING FUND BALANCES	\$ 23,469	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

**THE RETREAT METROPOLITAN DISTRICT NO. 2  
CAPITAL PROJECTS FUND  
2024 BUDGET  
WITH 2022 ACTUAL AND 2023 ESTIMATED  
For the Years Ended and Ending December 31,**

1/22/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ 2,328,711	\$ -
REVENUES			
Interest income	84,290	38,578	-
Developer advance	-	952,267	3,000,000
Bond issuance proceeds	8,216,000	-	-
Total revenues	<u>8,300,290</u>	<u>990,845</u>	<u>3,000,000</u>
TRANSFERS IN			
Transfers from other funds	<u>-</u>	<u>949</u>	<u>-</u>
Total funds available	<u>8,300,290</u>	<u>3,320,505</u>	<u>3,000,000</u>
EXPENDITURES			
General and Administrative			
Accounting	912	2,778	-
Legal	-	-	-
Banking fees	405	-	-
Capital Projects			
Repay developer advance	5,629	-	-
Engineering	17,540	8,506	-
Intergovernmental expenditures	59,460	-	-
Capital outlay	5,651,748	3,309,221	3,000,000
Bond issue costs	235,885	-	-
Total expenditures	<u>5,971,579</u>	<u>3,320,505</u>	<u>3,000,000</u>
Total expenditures and transfers out requiring appropriation	<u>5,971,579</u>	<u>3,320,505</u>	<u>3,000,000</u>
ENDING FUND BALANCES	<u>\$ 2,328,711</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**THE RETREAT METROPOLITAN DISTRICT NO. 2  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The Retreat Metropolitan District No. 1 (the “District”) and The Retreat Metropolitan District No. 2 (“District No. 2”) (collectively the “Districts”) were formed under a Service Plan approved by El Paso County, Colorado (the “County”). The Districts’ service area is located entirely within the County. The primary purpose of the Districts will be to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment of public improvements and services as listed below. The District was organized by El Paso County Court Order on December 17, 2019.

At an election held on November 5, 2019, the voters approved general indebtedness of \$1,250,000,000 at a maximum interest rate of 18% for each of the following improvements and services: streets, water supply, sanitary sewer, traffic and safety controls, parks and recreation, mosquito control, television relay and translation, public transportation, security services, and fire protection/medical emergency services.

The District has no employees and all administrative functions are contractual.

The District prepares its budget on the modified accrual basis of accounting, in accordance with requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

**Revenues**

**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 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.

Pursuant to the Service Plan, the District is required to adjust its maximum Required Mill Levy for changes in the ratio of actual to assessed value of property within the District. Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in a amount sufficient to pay the principal, premium if any, and interest on the Bonds as the same become due and payable [and to make up any deficiencies in the Reserve Fund].

The calculation of property taxes is reflected on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

**THE RETREAT METROPOLITAN DISTRICT NO. 2  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues – (Continued)**

**Property Taxes (continued)**

For property tax collection year 2024, SB22-238 and SB23B-001 set the assessment rates and actual value reductions as follows:

<b>Category</b>	<b>Rate</b>		<b>Category</b>	<b>Rate</b>	<b>Actual Value Reduction</b>	<b>Amount</b>
Single-Family Residential	6.70%		Agricultural Land	26.40%	Single-Family Residential	\$55,000
Multi-Family Residential	6.70%		Renewable Energy Land	26.40%	Multi-Family Residential	\$55,000
Commercial	27.90%		Vacant Land	27.90%	Commercial	\$30,000
Industrial	27.90%		Personal Property	27.90%	Industrial	\$30,000
Lodging	27.90%		State Assessed	27.90%	Lodging	\$30,000
			Oil & Gas Production	87.50%		

**Specific Ownership Taxes**

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District’s share will be equal to approximately 10% of the property taxes collected.

**Investment Income**

Interest earned on the District’s available funds has been estimated based on historical interest earnings.

**Developer Advances**

The District is in the development stage. As such, a significant portion of the operating and administrative expenditures are to be funded by the Developer. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer from bond proceeds and other legally available revenue.

**Working capital fees**

A capital fee in the amount of \$600 is assessed and collected for each unit within the property upon sale or transfer of that unit for the first time, as well as every subsequent sale or transfer of that unit. 34 units are anticipated to be sold or transferred in 2024.

**THE RETREAT METROPOLITAN DISTRICT NO. 2  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues – (Continued)**

**Covenant/HOA fees**

A quarterly covenant enforcement and operations fee for the provision of District functions in the amount of \$150 per quarter will be assessed and collected from each unit. 105 units are expected to pay covenant fees in 2024.

**Landscape assurance deposit and Landscape Review Fee**

A landscape assurance deposit in the amount of \$5,000 will be assessed and collected for each unit upon the first sale or transfer of that unit. The District will return the deposit, less \$300 review fees, upon completion of the landscaping. 45 units are anticipated to be sold or transferred for the first time in 2024.

**Well inspection fees**

An annual well inspection fee in the amount of \$200 will be assessed and collected for each rural lot within the District. 11 units are expected to have well inspections in 2024.

**Status letter fees**

A status letter fee of \$195 will be assessed and collected for each lot at the closing of the sale. 34 total lots are expected to be sold in 2024.

**Facilities fees**

A facilities fee of \$1,500 for rural lots and \$2,500 for urban lots will be assessed and collected for each lot at the closing of the sale. Approximately 50-60 total lots are expected to be sold in 2024.

**Intergovernmental Revenue**

Intergovernmental revenue is budgeted for General Fund and Debt Service Fund tax revenue from The Retreat Metropolitan District No. 1.

**Expenditures**

**Administrative Expenditures**

Administrative and operations expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, accounting, district management, insurance, and other administrative expenses.

**County Treasurer's Collection Fees**

County Treasurer's collection fees have been computed at 1.5% of property taxes.

**THE RETREAT METROPOLITAN DISTRICT NO. 2  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Expenditures – (Continued)**

**Capital Outlay**

The District plans to accept the costs of eligible public improvements costs paid for by the Developer, based on costs certified by the District Accountant and Engineer. The budgeted amounts are based on an estimate of those costs.

**Debt and Leases**

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

**Bond Proceeds**

The District issued the Bonds on April 13, 2022, in the par amount of \$8,216,000. Proceeds from the sale of the 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 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 Bonds.

**Details of the Bonds**

The 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 Bonds mature on December 1, 2051, and are subject to mandatory redemption to the extent of available Pledged Revenue.

The 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 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 RETREAT METROPOLITAN DISTRICT NO. 2  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases - (Continued)**

**Optional Redemption**

The 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 Premium</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 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 from the following sources: (a) the Mandatory Capital Mill Levy; (b) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Mandatory Capital Mill Levy; and (c) the Pledge District Capital Fees.

The Mandatory Capital Levy is an ad valorem mill levy imposed upon all taxable property of the Pledge 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, or any Refunding Obligations thereof, in full.

**THE RETREAT METROPOLITAN DISTRICT NO. 2  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases - (Continued)**

**Pledged Fees- (Continued)**

The Mandatory Capital 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.

Pledge District Capital Fees means all fees, rates, tolls, penalties, and charges of a capital nature (excluding periodic, recurring service charges) imposed by the Pledge District resulting from the Development Fees received by the Pledge District beginning January 1, 2022.

**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 constitute an Event of Default: (a) the District or the Pledge District fails or refuses to impose the Required Mill Levy or Mandatory Capital Mill Levy, respectively; (b) the District fails to apply the Pledged Revenue as required by the Indenture or the Pledge District fails to promptly remit its Pledge District Capital Revenue to the District; (c) the District or Pledge District defaults in the performance or observance of any other covenants, agreements, or conditions in the Indenture or Bond Resolution or Capital Pledge Agreement and fails to remedy the same after notice; (d) any representation or warranty made by the District or Pledge District in the Capital Pledge Agreement proves to have been untrue or incomplete in any material respect; or (e) the District or Pledge District files a petition under federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the obligation represented by the Bonds or by the Capital Pledge Agreement.

Due to the limited nature of Pledged Revenue, the failure to pay the principal of or interest on the Bonds shall not constitute an Event of Default. Acceleration of the Bonds is not an available remedy for an Event of 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.

**THE RETREAT METROPOLITAN DISTRICT NO. 2  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases - (Continued)**

**Developer Advances**

The District entered into a Reimbursement Agreement (Agreement) with the Developer. The District agrees to repay the Developer along with accrued interest, at a rate of 8% beginning on the date the advance were made to the date of repayment. The Agreement does not constitute a multiple-fiscal year obligation.

**Schedule of Long Term Obligations**

	Balance at December 31, 2022	Additions*	Repayments*	Balance at December 31, 2023*
<b>Bonds:</b>				
Series 2022A	\$ 8,216,000	\$ -	\$ -	\$ 8,216,000
Accrued Interest	233,661	516,457	212,601	537,517
Subtotal	<u>8,449,661</u>	<u>516,457</u>	<u>212,601</u>	<u>8,753,517</u>
<b>Developer Advances:</b>				
Developer Advances - Capital	-	952,267	-	952,267
Accrued Interest - Capital	-	38,091	-	38,091
Subtotal	<u>-</u>	<u>990,358</u>	<u>-</u>	<u>990,358</u>
<b>Total</b>	<u>\$ 8,449,661</u>	<u>\$ 1,506,815</u>	<u>\$ 212,601</u>	<u>\$ 9,743,875</u>
	Balance at December 31, 2023*	Additions*	Repayments*	Balance at December 31, 2024*
<b>Bonds:</b>				
Series 2022A	\$ 8,216,000	\$ -	\$ -	\$ 8,216,000
Accrued Interest	537,517	534,323	358,577	713,263
Subtotal	<u>8,753,517</u>	<u>534,323</u>	<u>358,577</u>	<u>8,929,263</u>
<b>Developer Advances:</b>				
Developer Advances - Capital	952,267	3,000,000	-	3,952,267
Accrued Interest - Capital	38,091	196,181	-	234,272
Subtotal	<u>990,358</u>	<u>3,196,181</u>	<u>-</u>	<u>4,186,539</u>
<b>Total</b>	<u>\$ 9,743,875</u>	<u>\$ 3,730,504</u>	<u>\$ 358,577</u>	<u>\$ 13,115,802</u>

\* Estimate

The District has no operating or capital leases.

**Reserves**

**Emergency Reserve**

The District has provided for an Emergency Reserve fund equal to at least 3.0% of fiscal year spending for 2024, as defined under TABOR.

**This information is an integral part of the accompanying budget.**

# CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

**TO:** County Commissioners<sup>1</sup> of El Paso County, Colorado.

On behalf of the The Retreat Metropolitan District No. 2,

(taxing entity)<sup>A</sup>

the Board of Directors

(governing body)<sup>B</sup>

of the The Retreat Metropolitan District No. 2

(local government)<sup>C</sup>

**Hereby** officially certifies the following mills to be levied against the taxing entity's GROSS assessed valuation of: \$ 4,172,840

(GROSS<sup>D</sup> assessed valuation, Line 2 of the Certification of Valuation Form DLG 57<sup>E</sup>)

**Note:** If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area<sup>F</sup> the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 4,172,840

(NET<sup>G</sup> assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)

**USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10**

**Submitted:** 01/04/2024 for budget/fiscal year 2024.

(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY <sup>2</sup>	REVENUE <sup>2</sup>
1. General Operating Expenses <sup>H</sup>	<u>11.162</u> mills	<u>\$46,577</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	< > mills	\$ < >
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	<b>11.162</b> mills	<b>\$ 46,577</b>
3. General Obligation Bonds and Interest <sup>J</sup>	_____ mills	\$ _____
4. Contractual Obligations <sup>K</sup>	<u>44.649</u> mills	<u>\$ 186,313</u>
5. Capital Expenditures <sup>L</sup>	_____ mills	\$ _____
6. Refunds/Abatements <sup>M</sup>	_____ mills	\$ _____
7. Other <sup>N</sup> (specify): _____	_____ mills	\$ _____
_____	_____ mills	\$ _____
<b>TOTAL:</b> [ Sum of General Operating Subtotal and Lines 3 to 7 ]	<b>55.811</b> mills	<b>\$ 232,890</b>

Contact person: Seef Le Roux Phone: (719) 635-0330

Signed: Seef Le Roux Title: Accountant for the District

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

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

<sup>1</sup> If the *taxing entity's* boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.

<sup>2</sup> Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's **FINAL** certification of valuation).

**CERTIFICATION OF TAX LEVIES, continued**

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

**CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:**

**BONDS<sup>J</sup>:**

- |    |                   |  |
|----|-------------------|--|
| 1. | Purpose of Issue: | Public Infrastructure                              |
|    | Series:           | General Obligation Limited Tax Bonds, Series 2022A |
|    | Date of Issue:    | April 13, 2022                                     |
|    | Coupon Rate:      | 6.125%   |
|    | Maturity Date:    | December 1, 2051                                   |
|    | Levy:             | 44.649   |
|    | Revenue:          | \$ 186,313   |
|    |                   |  |
| 2. | Purpose of Issue: | _____  |
|    | Series:           | _____  |
|    | Date of Issue:    | _____  |
|    | Coupon Rate:      | _____  |
|    | Maturity Date:    | _____  |
|    | Levy:             | _____  |
|    | Revenue:          | _____  |

**CONTRACTS<sup>K</sup>:**

- |    |                      |       |
|----|----------------------|-------|
| 3. | Purpose of Contract: | _____ |
|    | Title:               | _____ |
|    | Date:                | _____ |
|    | Principal Amount:    | _____ |
|    | Maturity Date:       | _____ |
|    | Levy:                | _____ |
|    | Revenue:             | _____ |
|    |                      |       |
| 4. | Purpose of Contract: | _____ |
|    | Title:               | _____ |
|    | Date:                | _____ |
|    | Principal Amount:    | _____ |
|    | Maturity Date:       | _____ |
|    | Levy:                | _____ |
|    | Revenue:             | _____ |

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