

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 MONUMENT JUNCTION 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 St #1100
Colorado Springs, CO 80903
Tel.: 719-473-3630

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

By: George A Lenz

RESOLUTION
TO ADOPT 2024 BUDGET, APPROPRIATE SUMS OF MONEY,
AND AUTHORIZE THE CERTIFICATION OF THE TAX LEVY
MONUMENT JUNCTION 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 MONUMENT JUNCTION 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 Monument Junction 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 \$16,007; 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 \$64,030; 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 \$1,540,030; and

WHEREAS, at an election held on November 18, 2022, 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 MONUMENT JUNCTION 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 Monument Junction 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 10.394 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 41.577 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 17th day of November 2023.

MONUMENT JUNCTION
METROPOLITAN DISTRICT NO. 2

George A Lenz

President

ATTEST:

Gerald Richardson

Secretary

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

MONUMENT JUNCTION METROPOLITAN DISTRICT NO. 2
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2024

**MONUMENT JUNCTION 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	\$ -	\$ -	\$ -
REVENUES			
Property taxes	-	1,844	80,037
Specific ownership taxes	-	185	8,004
Interest income	-	10	50
Facilities fees	-	44,000	58,000
Other revenue	-	-	19,909
Total revenues	<u>-</u>	<u>46,039</u>	<u>166,000</u>
Total funds available	<u>-</u>	<u>46,039</u>	<u>166,000</u>
EXPENDITURES			
General Fund	-	44,406	90,500
Debt Service Fund	-	1,633	75,500
Total expenditures	<u>-</u>	<u>46,039</u>	<u>166,000</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>46,039</u>	<u>166,000</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MONUMENT JUNCTION 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

Agricultural	\$ -	\$ 340	\$ -
State assessed	-	-	11,160
Vacant land	-	36,530	1,528,870
	-	36,870	1,540,030
Certified Assessed Value	\$ -	\$ 36,870	\$ 1,540,030

MILL LEVY

General	10.000	10.000	10.394
Debt Service	40.000	40.000	41.577
Total mill levy	50.000	50.000	51.971

PROPERTY TAXES

General	\$ -	\$ 369	\$ 16,007
Debt Service	-	1,475	64,030
Levied property taxes	-	1,844	80,037
Budgeted property taxes	\$ -	\$ 1,844	\$ 80,037

BUDGETED PROPERTY TAXES

General	\$ -	\$ 369	\$ 16,007
Debt Service	-	1,475	64,030
	\$ -	\$ 1,844	\$ 80,037

**MONUMENT JUNCTION 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	\$ -	\$ -	\$ -
REVENUES			
Property taxes	-	369	16,007
Specific ownership taxes	-	37	1,601
Facilities fees	-	44,000	58,000
Other revenue	-	-	14,892
Total revenues	-	44,406	90,500
Total funds available	-	44,406	90,500
EXPENDITURES			
General and administrative			
County Treasurer's fee	-	6	240
Contingency	-	-	14,892
Intergovernmental expenditures	-	44,400	75,368
Operations and maintenance			
Total expenditures	-	44,406	90,500
Total expenditures and transfers out requiring appropriation	-	44,406	90,500
ENDING FUND BALANCES	\$ -	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

MONUMENT JUNCTION 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	\$ -	\$ -	\$ -
REVENUES			
Property taxes	-	1,475	64,030
Specific ownership taxes	-	148	6,403
Interest income	-	10	50
Other revenue	-	-	5,017
Total revenues	<u>-</u>	<u>1,633</u>	<u>75,500</u>
Total funds available	<u>-</u>	<u>1,633</u>	<u>75,500</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	-	22	960
Intergovernmental expenditures	-	1,611	69,523
Contingency	-	-	5,017
Debt Service			
Total expenditures	<u>-</u>	<u>1,633</u>	<u>75,500</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>1,633</u>	<u>75,500</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**MONUMENT JUNCTION METROPOLITAN DISTRICT NO. 2
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The Monument Junction 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 El Paso County, Colorado on August 2, 2021, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan approved by the City on August 2, 2021.

The District was organized to provide for the finance, design, construct, acquire, install of Public Improvements and related operation and maintenance services. The District is the Financing District organized in conjunction with Monument Junction Metropolitan District No. 1 (District No.1). District No. 1 serves as the Operating District which will pay all vendors and issue and service the debt. The Financing District will levy ad valorem taxes on taxable properties within the District and assess fees, rates and other changes as authorized by law and remit these revenues to the Operating District. The District's service area is located entirely within the Town of Monument, El Paso County, Colorado.

Pursuant to the Service Plan approved by the Town, the District is permitted to issue bond indebtedness of up to \$37,000,000. In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area, however, as of the date of this budget, the amount and timing of any debt issuances is not determinable.

Pursuant to the District's Service Plan approved by the Town, the maximum debt mill levy is 50 mills, and the maximum operating mill levy for the payment of administrative, operations and maintenance expense is 10 mills.

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

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, 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.

**MONUMENT JUNCTION METROPOLITAN DISTRICT NO. 2
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

Property Taxes (continued)

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.

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

Category	Rate		Category	Rate	Actual Value Reduction	Amount
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.

Capital and Operations Fee

Capital and operations fee of \$500 is assessed and collected at closing of property. 116 closings anticipated in 2024.

**MONUMENT JUNCTION METROPOLITAN DISTRICT NO. 2
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures

Intergovernmental Expenditure – Monument Junction Metropolitan District No. 1

Property taxes generated from the mills levied by the District for operations and maintenance, net of fees, are expected to be transferred to Monument Junction Metropolitan District No. 1, the Operating District, which pays all administrative expenditures of the District.

Property taxes generated from the mills levied by the District for debt service, net of fees, are pledged to Monument Junction Metropolitan District No. 1, the Operating District, and are expected to be transferred as stated upon District No. 1 bond issuance.

County Treasurer's Fees

County Treasurer's fees have been computed at 1.5% of property tax collections.

Debt and Leases

Pledged Revenue Series 2021A bonds

The Series 2021A bonds issued by Monument Junction Metropolitan District No. 1 are secured by and payable from moneys derived by the District from the following sources: (a) the Required Mill Levy; (b) the Pledged Public Improvement Fees; (c) the Pledged 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.

The District does not have any other outstanding debt nor operating or capital leases.

Reserves

Emergency Reserve

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Since substantially all funds received by the District are transferred to District No. 1, which pays for all the District's operations and maintenance costs, the Emergency Reserve for these funds is reflected in the budget of District No. 1

This information is an integral part of the accompanying budget.

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of El Paso County, Colorado.

On behalf of the Monument Junction Metropolitan District No. 2,

the Board of Directors
(taxing entity)^A

of the Monument Junction Metropolitan District No. 2
(governing body)^B
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS assessed valuation of: \$ 1,540,030
(GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 1,540,030
(NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)
USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 01/03/2024 for budget/fiscal year 2024.
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	<u>10.394</u> mills	<u>\$ 16,007</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< _____ > mills	\$ < _____ >
SUBTOTAL FOR GENERAL OPERATING:	10.394 mills	\$ 16,007
3. General Obligation Bonds and Interest ^J	_____ mills	\$ _____
4. Contractual Obligations ^K	<u>41.577</u> mills	<u>\$ 64,030</u>
5. Capital Expenditures ^L	_____ mills	\$ _____
6. Refunds/Abatements ^M	_____ mills	\$ _____
7. Other ^N (specify): _____	_____ mills	\$ _____
	_____ mills	\$ _____
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	51.971 mills	\$ 80,037

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.

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

CERTIFICATION OF TAX LEVIES, continued

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

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

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

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

CONTRACTS^K:

- 3. Purpose of Contract: Capital Pledge Agreement
Title: Intergovernmental District Facilities Construction and Service Agreement
Date: December 6, 2021
Principal Amount: _____
Maturity Date: December 1, 2051
Levy: 41.577
Revenue: \$ 64,030

- 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.