

LORETTO HEIGHTS METROPOLITAN DISTRICT NO. 2
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2025

LORETTO HEIGHTS METROPOLITAN DISTRICT NO. 2
SUMMARY
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,

1/6/25

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	27,313	69,755	281,883
Specific ownership taxes	2,004	3,488	14,094
Interest income	191	520	2,080
Other revenue	-	-	25,543
Total revenues	<u>29,508</u>	<u>73,763</u>	<u>323,600</u>
Total funds available	<u>29,508</u>	<u>73,763</u>	<u>323,600</u>
EXPENDITURES			
General Fund	6,809	17,022	74,600
Debt Service Fund	22,699	56,741	249,000
Total expenditures	<u>29,508</u>	<u>73,763</u>	<u>323,600</u>
Total expenditures and transfers out requiring appropriation	<u>29,508</u>	<u>73,763</u>	<u>323,600</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

LORETTO HEIGHTS METROPOLITAN DISTRICT NO. 2
PROPERTY TAX SUMMARY INFORMATION
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,

1/6/25

ACTUAL	ESTIMATED	BUDGET
2023	2024	2025

ASSESSED VALUATION

Residential Multi Family	\$ -	\$ -	\$ 3,942,880
Vacant land	419,220	1,031,640	99,490
Personal property	1,000	820	5,700
	<u>\$ 420,220</u>	<u>\$ 1,032,460</u>	<u>\$ 4,048,070</u>

MILL LEVY

General	15.000	15.591	16.069
Debt Service	50.000	51.971	53.565
	<u>65.000</u>	<u>67.562</u>	<u>69.634</u>

PROPERTY TAXES

General	\$ 6,303	\$ 16,097	\$ 65,048
Debt Service	21,011	53,658	216,835
	<u>\$ 27,313</u>	<u>\$ 69,755</u>	<u>\$ 281,883</u>

BUDGETED PROPERTY TAXES

General	\$ 6,303	\$ 16,097	\$ 65,048
Debt Service	21,010	53,658	216,835
	<u>\$ 27,313</u>	<u>\$ 69,755</u>	<u>\$ 281,883</u>

LORETTO HEIGHTS METROPOLITAN DISTRICT NO. 2
GENERAL FUND
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,

1/6/25

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	6,303	16,097	65,048
Specific ownership taxes	462	805	3,252
Interest income	44	120	480
Other revenue	-	-	5,820
Total revenues	6,809	17,022	74,600
Total funds available	6,809	17,022	74,600
EXPENDITURES			
General and administrative			
County Treasurer's Fee	63	161	650
Contingency	-	-	5,820
Intergovernmental expenditures LHMD1	6,746	16,861	68,130
Total expenditures	6,809	17,022	74,600
Total expenditures and transfers out requiring appropriation	6,809	17,022	74,600
ENDING FUND BALANCES	\$ -	\$ -	\$ -

LORETTO HEIGHTS METROPOLITAN DISTRICT NO. 2
DEBT SERVICE FUND
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,

1/6/25

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	21,010	53,658	216,835
Specific ownership taxes	1,542	2,683	10,842
Interest income	147	400	1,600
Other revenue	-	-	19,723
Total revenues	22,699	56,741	249,000
Total funds available	22,699	56,741	249,000
EXPENDITURES			
General and administrative			
County Treasurer's Fee	210	537	2,168
Contingency	-	-	19,723
Intergovernmental expenditures LHCA	22,489	56,204	227,109
Total expenditures	22,699	56,741	249,000
Total expenditures and transfers out requiring appropriation	22,699	56,741	249,000
ENDING FUND BALANCES	\$ -	\$ -	\$ -

LORETTO HEIGHTS METROPOLITAN DISTRICT NO. 2
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

Loretto Heights Metropolitan District No. 2 (District), a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree 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 and County of Denver on August 26, 2019.

The District was established to provide financing for the design, acquisition, installation, construction and completion of public improvements and services, including water, sanitation, street, safety protection, park and recreation, transportation, television relay and translation and mosquito control improvements and services.

Loretto Heights Metropolitan Districts Nos. 1-5 and Loretto Heights Programming Metropolitan District are expected to work together to provide for the acquisition, construction, and financing of the public improvements and the administration and operations for the Development.

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 the requirements of Colorado Revised Statutes section 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.

The District may impose an Operating Mill Levy of up to 65.000 mills, until the District imposes a Debt Mill Levy. Once the District imposes a Debt Mill Levy, the District's Operating Mill Levy cannot exceed 15.000 mills. The Debt Mill Levy shall not exceed 50.000 mills. The Programming District has the authority to levy 20.000 mills for the purpose of operating and maintaining the Programming District's facilities and services. The District has the authority to impose an additional Regional Mill Levy of 5.000 mills. The Regional Mill Levy shall not exceed a term of 25 years from December 31 of the tax collection year after which the Regional Mill Levy was first imposed. The District's Aggregate Mill Levy maximum is 85.000 mills (15 for Operations, 50 for Debt Service, and 20 for the Programming District), and does not include the Regional Mill Levy. All of these mill levies can be adjusted for any changes in the assessment ratios from the time of the service plan approval, August 26, 2019.

**LORETTO HEIGHTS METROPOLITAN DISTRICT NO. 2
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (Continued)

Property Taxes (continued)

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

For property tax collection year 2025, SB22-238, SB23B-001, SB 24-233, and HB24B-1001 set the assessment rates and actual values 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 5.00% of the property taxes collected.

Net Investment Income

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

Expenditures

Administrative and Operating Expenditures

Operating and administrative expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, accounting, insurance, banking, meeting expense and other administrative expenses.

**LORETTO HEIGHTS METROPOLITAN DISTRICT NO. 2
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures (Continued)

Intergovernmental Expenditures

The District is obligated to impose a mill levy, not to exceed 15 mills, subject to certain adjustments, and remit property taxes derived from such mill levy, together a portion of specific ownership taxes applicable to property within the District to the Managing District, District No. 1, for the payment of administrative and operations expenses.

On June 23, 2021, the District, Loretto Heights Metropolitan District No. 2-4 and Loretto Heights Community Authority, and UMB Bank entered into capital pledge agreements whereby the Districts agreed to impose the required mill levy (as defined therein) and pledge the debt service property tax revenue and specific ownership tax revenue therefore to Loretto Heights Community Authority for payment for the payment of its 2021 Bonds.

Reserves

Emergency Reserve

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. The District has not provided for an emergency reserve equal to at least 3% of fiscal spending for 2024, as defined under TABOR, as net tax revenue is transferred to District No. 1 which provides for the required reserve.

This information is an integral part of the accompanying budget.