

LORETTO HEIGHTS METROPOLITAN DISTRICT NO. 3
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2024

**LORETTO HEIGHTS METRO DISTRICT NO. 3
SUMMARY
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/17/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	138,822	106,496	430,545
Specific ownership taxes	7,494	5,325	21,528
Interest income	-	7	20
Other revenue	-	-	4,907
Total revenues	146,316	111,828	457,000
Total funds available	146,316	111,828	457,000
EXPENDITURES			
General Fund	33,766	25,807	107,000
Debt Service Fund	112,550	86,021	350,000
Total expenditures	146,316	111,828	457,000
Total expenditures and transfers out requiring appropriation	146,316	111,828	457,000
ENDING FUND BALANCES	\$ -	\$ -	\$ -

LORETTO HEIGHTS METRO DISTRICT NO. 3
PROPERTY TAX SUMMARY INFORMATION
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

1/17/24

ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
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ASSESSED VALUATION

Commercial	\$ 1,119,060	\$ 1,236,100	\$ 5,309,770
Vacant land	1,016,660	402,290	1,025,440
Personal property	-	-	3,980
Certified Assessed Value	<u>\$ 2,135,720</u>	<u>\$ 1,638,390</u>	<u>\$ 6,339,190</u>

MILL LEVY

General	15.000	15.000	15.673
Debt Service	50.000	50.000	52.245
Total mill levy	<u>65.000</u>	<u>65.000</u>	<u>67.918</u>

PROPERTY TAXES

General	\$ 32,036	\$ 24,576	\$ 99,354
Debt Service	106,786	81,920	331,191
Budgeted property taxes	<u>\$ 138,822</u>	<u>\$ 106,496</u>	<u>\$ 430,545</u>

General	\$ 32,036	\$ 24,576	\$ 99,354
Debt Service	106,786	81,920	331,191
	<u>\$ 138,822</u>	<u>\$ 106,496</u>	<u>\$ 430,545</u>

LORETTO HEIGHTS METRO DISTRICT NO. 3
GENERAL FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

1/17/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	32,036	24,576	99,354
Specific ownership taxes	1,730	1,229	4,968
Interest income	-	2	10
Other revenue	-	-	2,668
Total revenues	33,766	25,807	107,000
 Total funds available	 33,766	 25,807	 107,000
EXPENDITURES			
General and administrative			
County Treasurer's fee	-	246	994
Contingency	-	-	2,668
Transfers to LHMD1	33,766	25,561	103,338
Total expenditures	33,766	25,807	107,000
 Total expenditures and transfers out requiring appropriation	 33,766	 25,807	 107,000
ENDING FUND BALANCES	\$ -	\$ -	\$ -

LORETTO HEIGHTS METRO DISTRICT NO. 3
DEBT SERVICE FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

1/17/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	106,786	81,920	331,191
Specific ownership taxes	5,764	4,096	16,560
Interest income	-	5	10
Other revenue	-	-	2,239
Total revenues	112,550	86,021	350,000
Total funds available	112,550	86,021	350,000
EXPENDITURES			
General and administrative			
County Treasurer's fee	-	819	3,312
Contingency	-	-	2,239
Transfers to LHCA	112,550	85,202	344,449
Total expenditures	112,550	86,021	350,000
Total expenditures and transfers out requiring appropriation	112,550	86,021	350,000
ENDING FUND BALANCES	\$ -	\$ -	\$ -

**LORETTO HEIGHTS METRO DISTRICT NO. 3
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The 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 Metro Districts Nos. 1-5 and Loretto Heights Programming 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 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.

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 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 METRO DISTRICT NO. 3
2024 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 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 5.00% of the property taxes collected.

Net Investment Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 5%.

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 METRO DISTRICT NO. 3
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures (Continued)

Transfers

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 pay 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 2023, 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.