

LORETTO HEIGHTS COMMUNITY AUTHORITY
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2025

**LORETTO HEIGHTS COMMUNITY AUTHORITY
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 | \$ 24,961,457 | \$ 19,145,147 | \$ 16,288,723 |
| REVENUES | | | |
| PILOT revenue | 37,000 | 38,480 | 430,285 |
| IGA revenue LHMD2 | 22,489 | 56,204 | 227,109 |
| IGA revenue LHMD3 | 86,988 | 221,055 | 112,584 |
| IGA revenue LHMD4 | 80,434 | 148,837 | 162,327 |
| Interest income | 1,168,177 | 983,000 | 808,559 |
| Other revenue | - | - | 5,213 |
| Total revenues | <u>1,395,088</u> | <u>1,447,576</u> | <u>1,746,077</u> |
| Total funds available | <u>26,356,545</u> | <u>20,592,723</u> | <u>18,034,800</u> |
| EXPENDITURES | | | |
| Debt Service Fund | 438,000 | 304,000 | 1,019,300 |
| Capital Projects Fund | 6,773,398 | 4,000,000 | 16,925,000 |
| Total expenditures | <u>7,211,398</u> | <u>4,304,000</u> | <u>17,944,300</u> |
| Total expenditures and transfers out requiring appropriation | <u>7,211,398</u> | <u>4,304,000</u> | <u>17,944,300</u> |
| ENDING FUND BALANCES | <u>\$ 19,145,147</u> | <u>\$ 16,288,723</u> | <u>\$ 90,500</u> |
| TOTAL RESERVE | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

**LORETTO HEIGHTS COMMUNITY AUTHORITY
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 | | | |
| PILOT revenue | - | - | 90,414 |
| Other revenue | - | - | 86 |
| Total revenues | - | - | 90,500 |
| Total funds available | - | - | 90,500 |
| EXPENDITURES | | | |
| General and administrative | | | |
| Contingency | - | - | 86 |
| Intergovernmental expenditures | - | - | 90,414 |
| Total expenditures | - | - | 90,500 |
| Total expenditures and transfers out requiring appropriation | - | - | 90,500 |
| ENDING FUND BALANCES | \$ - | \$ - | \$ - |

**LORETTO HEIGHTS COMMUNITY AUTHORITY
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 | \$ 196,936 | \$ (294) | \$ 168,282 |
| REVENUES | | | |
| PILOT revenue | 37,000 | 38,480 | 339,871 |
| IGA revenue LHMD2 | 22,489 | 56,204 | 227,109 |
| IGA revenue LHMD3 | 86,988 | 221,055 | 112,584 |
| IGA revenue LHMD4 | 80,434 | 148,837 | 162,327 |
| Interest income | 13,859 | 8,000 | 4,000 |
| Other revenue | - | - | 5,127 |
| Total revenues | 240,770 | 472,576 | 851,018 |
| Total funds available | 437,706 | 472,282 | 1,019,300 |
| EXPENDITURES | | | |
| Paying agent fees | 4,000 | 4,000 | 4,000 |
| Bond interest | 434,000 | 300,000 | 1,010,173 |
| Contingency | - | - | 5,127 |
| Total expenditures | 438,000 | 304,000 | 1,019,300 |
| Total expenditures and transfers out requiring appropriation | 438,000 | 304,000 | 1,019,300 |
| ENDING FUND BALANCES | \$ (294) | \$ 168,282 | \$ - |

**LORETTO HEIGHTS COMMUNITY AUTHORITY
CAPITAL PROJECTS 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 | \$ 24,764,521 | \$ 19,145,441 | \$ 16,120,441 |
| REVENUES | | | |
| Interest income | 1,154,318 | 975,000 | 804,559 |
| Total revenues | 1,154,318 | 975,000 | 804,559 |
| | | | |
| Total funds available | 25,918,839 | 20,120,441 | 16,925,000 |
| EXPENDITURES | | | |
| IGA expenditures LHMD1 | 6,773,398 | 4,000,000 | 16,925,000 |
| Total expenditures | 6,773,398 | 4,000,000 | 16,925,000 |
| | | | |
| Total expenditures and transfers out requiring appropriation | 6,773,398 | 4,000,000 | 16,925,000 |
| ENDING FUND BALANCES | \$ 19,145,441 | \$ 16,120,441 | \$ - |

No assurance provided. See summary of significant assumptions.

**LORETTO HEIGHTS COMMUNITY AUTHORITY
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

Loretto Heights Community Authority (the Authority), a quasi-municipal corporation and a political subdivision of the State of Colorado, formed pursuant to Sections 29-1-203 and 203.5, C.R.S., and the Loretto Heights Community Authority Establishment Agreement (the Establishment Agreement), dated May 19, 2021, entered into among the Loretto Heights Metropolitan District No. 1, Loretto Heights Metropolitan District No. 2, Loretto Heights Metropolitan District No. 3, and Loretto Heights Metropolitan District No. 4 (together, the Taxing Districts).

The Authority 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.

Under the Establishment Agreement, each District shall transfer certain revenues received by it to fund the cost of administrative services and to fund obligations issued by the Authority.

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

The Authority 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 Authority 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

PILOT Revenues

The Developer executed a Declaration of Payment in Lieu of Taxes and recorded it against all property in the Development (as amended, the "PILOT Covenant"). In accordance with the PILOT Covenant, if the owner of any property within the Development becomes a Tax-Exempt Entity or receives a determination that its property is Tax-Exempt Property, such property owner is subject to the payment of fees in lieu of taxes ("PILOTs").

In accordance with the PILOT Covenant, the PILOTs will be equal to the sum of the "Payment in Lieu" and made on an annual basis. Payment in Lieu is generally defined in the PILOT Covenant as an annual amount equal to the revenue that would be derived from the imposition of the District Debt Service Mill Levy, (such as the Taxing Districts' Required Mill Levy), the District Regional Mill Levy, and the District Operations and Maintenance Mill Levy on that portion of the taxable real and personal property within the Development, were such owner not a Tax-Exempt Entity or were such property not Tax-Exempt Property. Only that portion of the PILOT (if any) relating to the annual amount equal to the revenue that would be derived from the imposition of the District Debt Service Mill Levy (such as the Taxing Districts' Required Mill Levy) is pledged under the Capital Pledge Agreements and the Indenture to secure repayment of the Bonds.

**LORETTO HEIGHTS COMMUNITY AUTHORITY BOARD
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (Continued)

PILOT Revenues (continued)

In accordance with the PILOT Covenant, Pancratia LLC is also required to pay an annual fee payable by June 1st of each year to the Authority, for a period commencing January 1, 2022, and expiring on December 31, 2047, in the amount of \$37,000, such amount to escalate by 4% every other year (the "Pancratia Hall Revenues"); the Pancratia Hall Revenues are pledged pursuant to the Capital Pledge Agreements and the Indenture to secure repayment of the Bonds.

PIF Revenues

The Developer executed a Declaration of Covenants Imposing and Implementing the ACM Loretto VI, LLC Sales Add On Public Improvement Fee and recorded it against all property in the Development (as amended, the "PIF Covenant"). In accordance with the PIF Covenant, a public improvement fee is imposed on all property within the Development in the amount of 2% ("Sales PIF") on all Taxable Sales made from or within property in the Development ("PIF Revenues"). In accordance with the Indenture and Capital Pledge Agreements, the PIF Revenues comprise a portion of the Pledged Revenue.

"Taxable Sales" is generally defined in the PIF Covenant as any exchange of goods or services for money or other media of exchange initiated, consummated, conducted, or transacted within the Development subject to Sales Tax, as defined by City Code, including the sale of food for home consumption.

Intergovernmental revenues

On June 23, 2021, the Authority, Loretto Heights Metropolitan District No. 1-4, and UMB Bank entered into capital pledge agreements whereby the Taxing 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 of its 2021 Bonds.

On May 25, 2021 the Authority and District No. 1 entered into a Project Management Intergovernmental Agreement (Project Management IGA), providing that the District No. 1, as the "Management District", shall coordinate, administer, and oversee: (i) the preparation of all budgets, schedules, contracts, and other documents pertaining to the Public Improvements; and (ii) the planning, design, engineering, testing, construction, and installation for the Public Improvements on behalf of the Authority and District Nos. 2-4. As the Management District, District No. 1 has and will continue to engage engineers, surveyors, and other consultants and construction contractors to facilitate the development of the Public Improvements.

Net Investment Income

Interest earned on the Authority's available funds has been estimated based on an average interest rate of approximately 4%.

Expenditures

Capital Outlay

The Authority anticipates infrastructure improvements as noted in the Capital Projects fund.

**LORETTO HEIGHTS COMMUNITY AUTHORITY BOARD
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases

Debt

One June 23, 2021, the Authority issued Cash Flow Bonds in the par amount of \$44,695,000. Proceeds from the sale of the Bonds will be used to finance or reimburse a portion of the costs of public improvements to serve the Development and pay the costs of issuing the Bonds.

The Bonds will bear interest at the rate of 4.875% per annum and are structured as “cash flow” bonds of the Authority, meaning that no regularly scheduled payments of principal are due on the Bonds prior to their maturity date. Instead, principal is payable on each December 1 from the available Pledged Revenue, if any, pursuant to a mandatory redemption.

Interest on the Bonds is payable on each December 1, commencing December 1, 2021, to the extent of the Pledged Revenue. To the extent interest on any Bond is not paid when due, such interest shall compound annually on each interest payment date, at the rate then borne by the Bond. The Authority will not be obligated to pay more than the amount permitted by law and the electoral authorization of the Taxing Districts in repayment of the Bonds.

In the event that any amount of principal of or interest on the Bonds remains unpaid after the application of all Pledged Revenue available therefor on December 1, 2061, the Bonds shall be deemed to be paid in full on the Termination Date of December 2, 2061, and the Indenture securing the payment thereof will be deemed fully satisfied.

Operating and Capital Leases

The Authority has no operating leases.

Reserves

Emergency Reserve

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Loretto Heights Metropolitan District No.1 provides for all Districts’ operations and maintenance costs, therefore, an emergency reserve is not reflected in the Authority’s Budget.

This information is an integral part of the accompanying budget.