

**LORETTO HEIGHTS COMMUNITY AUTHORITY BOARD**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDING DECEMBER 31, 2023**

**LORETTO HEIGHTS COMMUNITY AUTHORITY BOARD  
SUMMARY  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/21/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ -	\$ 32,407,223	\$ 25,408,284
REVENUES			
Interest income	5,368	300,000	392,000
Other revenue	-	-	24,070
PILOT Revenue	-	37,000	37,000
Bond proceeds	44,695,000	-	-
Transfers from Other Districts	-	234,007	185,050
Total revenues	44,700,368	571,007	638,120
Total funds available	44,700,368	32,978,230	26,046,404
EXPENDITURES			
Debt Service Fund	-	69,946	447,181
Capital Projects Fund	12,293,145	7,500,000	14,500,000
Total expenditures	12,293,145	7,569,946	14,947,181
Total expenditures and transfers out requiring appropriation	12,293,145	7,569,946	14,947,181
ENDING FUND BALANCES	\$ 32,407,223	\$ 25,408,284	\$ 11,099,223

**LORETTO HEIGHTS COMMUNITY AUTHORITY BOARD  
GENERAL FUND  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/21/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Total revenues	-	-	-
Total funds available	-	-	-
EXPENDITURES			
Total expenditures	-	-	-
Total expenditures and transfers out requiring appropriation	-	-	-
ENDING FUND BALANCES	\$ -	\$ -	\$ -

No assurance is provided. See summary of significant assumptions.

**LORETTO HEIGHTS COMMUNITY AUTHORITY BOARD  
DEBT SERVICE FUND  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/21/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ -	\$ -	\$ 201,061
REVENUES			
PILOT Revenue	-	37,000	37,000
Other Revenue	-	-	24,070
Transfer from LHMD No.2	-	24,474	21,852
Transfer from LHMD No.3	-	111,718	85,197
Transfer from LHMD No.4	-	97,815	78,001
Total revenues	-	271,007	246,120
Total funds available	-	271,007	447,181
EXPENDITURES			
Debt Service			
Bond interest	-	65,826	414,751
Paying agent fees	-	4,120	4,120
Contingency	-	-	28,310
Total expenditures	-	69,946	447,181
Total expenditures and transfers out requiring appropriation	-	69,946	447,181
ENDING FUND BALANCES	\$ -	\$ 201,061	\$ -

No assurance is provided. See summary of significant assumptions.

**LORETTO HEIGHTS COMMUNITY AUTHORITY BOARD  
CAPITAL PROJECTS FUND  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/21/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	-	32,407,223	25,207,223
REVENUES			
Interest income	5,368	300,000	392,000
Series 2021A Bonds	44,695,000	-	-
Total revenues	44,700,368	300,000	392,000
Total funds available	44,700,368	32,707,223	25,599,223
EXPENDITURES			
Capital Projects			
Costs of issuance	1,388,483	-	-
Transfers to LHMD No.1	10,904,662	7,500,000	14,500,000
Total expenditures	12,293,145	7,500,000	14,500,000
Total expenditures and transfers out requiring appropriation	12,293,145	7,500,000	14,500,000
ENDING FUND BALANCES	32,407,223	25,207,223	11,099,223

No assurance is provided. See summary of significant assumptions.

**LORETTO HEIGHTS COMMUNITY AUTHORITY BOARD  
2023 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**

**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.

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.

**LORETTO HEIGHTS COMMUNITY AUTHORITY BOARD  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues (Continued)**

**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.

**Transfers**

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 of its 2021 Bonds.

**Interest Income**

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 2%.

**Developer Advance**

The District is in the development stage. As such, the operating and administrative expenditures will be mainly funded by the Developer. A portion of the capital expenditures are also expected 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.

**Expenditures**

**Capital Outlay**

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

**LORETTO HEIGHTS COMMUNITY AUTHORITY BOARD  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases**

**Debt**

One June 23, 2021 the District 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 District 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 District’s Budget.

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