

**LEGATO METROPOLITAN DISTRICT NO. 2**

**ANNUAL BUDGET**

**FOR THE YEAR ENDING DECEMBER 31, 2024**

**LEGATO METROPOLITAN DISTRICT NO. 2  
SUMMARY  
2024 BUDGET  
WITH 2022 ACTUAL AND 2023 ESTIMATED  
For the Years Ended and Ending December 31,**

1/24/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	271	348	348
Specific ownership taxes	18	22	24
Interest income	6	17	10
Other revenue	-	-	218
Total revenues	295	387	600
Total funds available	295	387	600
EXPENDITURES			
General Fund	49	64	100
Debt Service Fund	246	323	500
Total expenditures	295	387	600
Total expenditures and transfers out requiring appropriation	295	387	600
ENDING FUND BALANCES	\$ -	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

**LEGATO METROPOLITAN DISTRICT NO. 2  
PROPERTY TAX SUMMARY INFORMATION  
2024 BUDGET  
WITH 2022 ACTUAL AND 2023 ESTIMATED  
For the Years Ended and Ending December 31,**

1/24/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
<b>ASSESSED VALUATION</b>			
Agricultural	\$ 4,080	\$ 4,770	\$ 4,770
Certified Assessed Value	\$ 4,080	\$ 4,770	\$ 4,770
<b>MILL LEVY</b>			
General	11.056	12.144	12.144
Debt Service	55.277	60.720	60.720
Total mill levy	66.333	72.864	72.864
<b>PROPERTY TAXES</b>			
General	\$ 45	\$ 58	\$ 58
Debt Service	226	290	290
Levied property taxes	271	348	348
Adjustments to actual/rounding	-	-	-
Budgeted property taxes	\$ 271	\$ 348	\$ 348
<b>BUDGETED PROPERTY TAXES</b>			
General	\$ 45	\$ 58	\$ 58
Debt Service	226	290	290
	\$ 271	\$ 348	\$ 348

No assurance provided. See summary of significant assumptions.

**LEGATO METROPOLITAN DISTRICT NO. 2  
GENERAL FUND  
2024 BUDGET  
WITH 2022 ACTUAL AND 2023 ESTIMATED  
For the Years Ended and Ending December 31,**

1/24/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	45	58	58
Specific ownership taxes	3	4	4
Interest income	1	2	-
Other revenue	-	-	38
Total revenues	49	64	100
Total funds available	49	64	100
EXPENDITURES			
General and administrative			
County Treasurer's fee	1	1	1
Contingency	-	-	38
Transfer to Legato Community Authority	48	63	61
Total expenditures	49	64	100
Total expenditures and transfers out requiring appropriation	49	64	100
ENDING FUND BALANCES	\$ -	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

**LEGATO METROPOLITAN DISTRICT NO. 2  
DEBT SERVICE FUND  
2024 BUDGET  
WITH 2022 ACTUAL AND 2023 ESTIMATED  
For the Years Ended and Ending December 31,**

1/24/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	226	290	290
Specific ownership taxes	15	18	20
Interest income	5	15	10
Other revenue	-	-	180
Total revenues	246	323	500
Total funds available	246	323	500
EXPENDITURES			
General and administrative			
County Treasurer's fee	2	4	4
Contingency	-	-	180
Transfer to Legato Community Authority	244	319	316
Total expenditures	246	323	500
Total expenditures and transfers out requiring appropriation	246	323	500
ENDING FUND BALANCES	\$ -	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

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

**Services Provided**

Legato Metropolitan District No. 2 (the "District"), a quasi-municipal corporation, is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located in Adams County, Colorado. Concurrently with the formation of the District, the City of Commerce City (the "City") approved the formation of Legato Metropolitan District Nos. 1; 3, 4, 5, 6, and 7, (together with the District, the "Taxing Districts") (collectively, the "Legato Districts"). The District was established to provide public streets, traffic and safety, water, sewer, park and recreation, television relay and translation, and mosquito control facilities and improvements for the use and benefit of the inhabitants and taxpayers of the District.

On November 3, 2020, the District's voters authorized total general obligation indebtedness of \$8,200,000,000 for the above listed facilities and powers, but the District's service plan limits the total debt issuance to \$100,000,000, with a maximum debt mill levy of 55.277 mills, subject to adjustment from 2020.

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 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.

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

**Revenues (Continued)**

**Property Taxes (Continued)**

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

<b>Category</b>	<b>Rate</b>	<b>Category</b>	<b>Rate</b>	<b>Actual Value Reduction</b>	<b>Amount</b>
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 7% 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**

**Transfers to Legato Community Authority**

Pursuant to the, Agreement Establishing the Legato Community Authority, Legato Metropolitan District Nos. 1-7 (the Districts) have agreed that Legato Community Authority (the Authority) will provide the Services and incur the financial obligations on behalf of the Districts, and that the Districts will pay all costs related thereto through the imposition of ad valorem property taxes and transferring the net tax revenues to the Authority.

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

**Expenditures (Continued)**

**Operating Agreement**

The District has entered into an Operating Agreement with Legato Community Authority. Pursuant to the Operating Agreement, the District has covenanted to impose an ad valorem mill levy upon all taxable property of the District of 11.056 mills (subject to adjustment for changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement after January 1, 2021).

**Capital Pledge Agreement**

The District has entered into a Capital Pledge Agreement (the "Pledge Agreement") with Legato Community Authority. Pursuant to the Pledge Agreement, the District has covenanted to impose an ad valorem mill levy upon all taxable property of the District of 55.277 mills (subject to adjustment for changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement after January 1, 2021) or such lesser amount as may be needed to pay the Authority's Bonds and any Additional Obligations as they come due.

**County Treasurer's Fees**

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

**Debt and Leases**

The District has no outstanding debt, nor operating or capital leases.

**Reserve Funds**

**Emergency Reserves**

TABOR required 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 year spending for 2024, as defined under TABOR, because net tax revenue is transferred to the Authority, which provides for the required reserve amount.

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