

LEGATO METROPOLITAN DISTRICT NO. 1

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2024

**LEGATO METROPOLITAN DISTRICT NO. 1
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	61	50	50
Specific ownership taxes	4	4	4
Interest income	1	3	2
Other revenue	-	-	94
Total revenues	<u>66</u>	<u>57</u>	<u>150</u>
Total funds available	<u>66</u>	<u>57</u>	<u>150</u>
EXPENDITURES			
General Fund	11	9	50
Debt Service Fund	55	48	100
Total expenditures	<u>66</u>	<u>57</u>	<u>150</u>
Total expenditures and transfers out requiring appropriation	<u>66</u>	<u>57</u>	<u>150</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**LEGATO METROPOLITAN DISTRICT NO. 1
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
ASSESSED VALUATION			
Agricultural	\$ 2,030	\$ 1,510	\$ 1,530
Certified Assessed Value	\$ 2,030	\$ 1,510	\$ 1,530
MILL LEVY			
General	5.000	5.492	5.491
Debt Service	25.000	27.463	27.459
Total mill levy	30.000	32.955	32.950
PROPERTY TAXES			
General	\$ 10	\$ 8	\$ 8
Debt Service	51	41	42
Levied property taxes	61	49	50
Budgeted property taxes	\$ 61	\$ 49	\$ 50
BUDGETED PROPERTY TAXES			
General	\$ 10	\$ 8	\$ 8
Debt Service	51	41	42
	\$ 61	\$ 49	\$ 50

No assurance provided. See summary of significant assumptions.

**LEGATO METROPOLITAN DISTRICT NO. 1
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	10	8	8
Specific ownership taxes	1	-	1
Interest income	-	1	-
Other revenue	-	-	41
Total revenues	11	9	50
Total funds available	11	9	50
EXPENDITURES			
General and administrative			
Contingency	-	-	41
Transfer to Legato Community Authority	11	9	9
Total expenditures	11	9	50
Total expenditures and transfers out requiring appropriation	11	9	50
ENDING FUND BALANCES	\$ -	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

**LEGATO METROPOLITAN DISTRICT NO. 1
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	51	42	42
Specific ownership taxes	3	4	3
Interest income	1	2	2
Other revenue	-	-	53
Total revenues	<u>55</u>	<u>48</u>	<u>100</u>
Total funds available	<u>55</u>	<u>48</u>	<u>100</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	-	1	1
Contingency	-	-	53
Transfer to Legato Community Authority	55	47	46
Total expenditures	<u>55</u>	<u>48</u>	<u>100</u>
Total expenditures and transfers out requiring appropriation	<u>55</u>	<u>48</u>	<u>100</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**LEGATO METROPOLITAN DISTRICT NO. 1
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

Legato Metropolitan District No. 1 (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. 2, 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. 1
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:

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 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. 1
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 5.000 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 25.000 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.