

LEGATO COMMUNITY AUTHORITY
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2022

**LEGATO COMMUNITY AUTHORITY
SUMMARY
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/12/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ -	\$ -	\$ 31,774,521
REVENUES			
Interest income	-	1,650	32,200
Intergovernmental revenue - No. 1	-	-	65
Intergovernmental revenue - No. 2	-	-	286
Intergovernmental revenue - No. 3	-	-	112
Intergovernmental revenue - No. 4	-	-	985
Intergovernmental revenue - No. 5	-	-	17
Intergovernmental revenue - No. 6	-	-	24
Intergovernmental revenue - No. 7	-	-	151
Operations fees	-	-	24,750
Transfer fees	-	-	19,800
Bond proceeds 2021A-1	-	12,645,000	-
Bond proceeds 2021A-2	-	15,527,806	-
Bond proceeds 2021B	-	5,269,000	-
Developer advance	-	120,000	399,260
Other revenue	-	-	150
Total revenues	-	33,563,456	477,800
TRANSFERS IN			
	-	4,486,091	210,000
Total funds available	-	38,049,547	32,462,321
EXPENDITURES			
General Fund	-	120,000	190,500
Special Revenue Fund	-	-	248,000
Debt Service Fund	-	287,409	626,000
Capital Projects Fund	-	1,381,526	27,603,689
Total expenditures	-	1,788,935	28,668,189
TRANSFERS OUT			
	-	4,486,091	210,000
Total expenditures and transfers out requiring appropriation	-	6,275,026	28,878,189
ENDING FUND BALANCES	\$ -	\$ 31,774,521	\$ 3,584,132
AVAILABLE FOR OPERATIONS	\$ -	\$ -	\$ 36
DEBT SERVICE SURPLUS	-	2,677,000	2,677,000
CAPITALIZED INTEREST	-	1,521,832	900,546
TOTAL RESERVE	\$ -	\$ 4,198,832	\$ 3,577,582

No assurance provided. See summary of significant assumptions.

**LEGATO COMMUNITY AUTHORITY
PROPERTY TAX SUMMARY INFORMATION
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/12/22

ACTUAL	ESTIMATED	BUDGET
2020	2021	2022

ASSESSED VALUATION

Certified Assessed Value	\$ -	\$ -	\$ -
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MILL LEVY

General	0.000	0.000	0.000
Debt Service	0.000	0.000	0.000
Total mill levy	0.000	0.000	0.000

PROPERTY TAXES

General	\$ -	\$ -	\$ -
Debt Service	-	-	-
Levied property taxes	-	-	-
Budgeted property taxes	\$ -	\$ -	\$ -

BUDGETED PROPERTY TAXES

General	\$ -	\$ -	\$ -
Debt Service	-	-	-
	\$ -	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

**LEGATO COMMUNITY AUTHORITY
GENERAL FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/12/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Developer advance	-	120,000	399,260
Other revenue	-	-	150
Intergovernmental revenue - No. 1	-	-	11
Intergovernmental revenue - No. 2	-	-	47
Intergovernmental revenue - No. 3	-	-	17
Intergovernmental revenue - No. 4	-	-	985
Intergovernmental revenue - No. 5	-	-	17
Intergovernmental revenue - No. 6	-	-	24
Intergovernmental revenue - No. 7	-	-	25
Total revenues	<u>-</u>	<u>120,000</u>	<u>400,536</u>
Total funds available	<u>-</u>	<u>120,000</u>	<u>400,536</u>
EXPENDITURES			
General and administrative			
Accounting	-	30,000	66,000
Auditing	-	-	5,000
Dues and licenses	-	1,600	2,000
Insurance and bonds	-	21,394	25,000
Legal services	-	65,000	50,000
Miscellaneous	-	-	5,000
Election expense	-	-	2,500
Contingency	-	2,006	35,000
Total expenditures	<u>-</u>	<u>120,000</u>	<u>190,500</u>
TRANSFERS OUT			
Transfers to other fund	<u>-</u>	<u>-</u>	<u>210,000</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>120,000</u>	<u>400,500</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36</u>
AVAILABLE FOR OPERATIONS	<u>-</u>	<u>-</u>	<u>36</u>
TOTAL RESERVE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36</u>

No assurance provided. See summary of significant assumptions.

**LEGATO COMMUNITY AUTHORITY
OPERATIONS FEE FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/12/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Operations fees	-	-	24,750
Transfer fees	-	-	19,800
Total revenues	<u>-</u>	<u>-</u>	<u>44,550</u>
TRANSFERS IN			
Transfers from other funds	<u>-</u>	<u>-</u>	<u>210,000</u>
Total funds available	<u>-</u>	<u>-</u>	<u>254,550</u>
EXPENDITURES			
General and administrative			
Insurance and bonds	-	-	10,000
District management	-	-	116,018
Legal services	-	-	5,000
Contingency	-	-	10,477
Operations and maintenance			
Landscape maintenance	-	-	85,000
Snow removal	-	-	2,000
Utilities	-	-	3,000
Irrigation water	-	-	16,505
Total expenditures	<u>-</u>	<u>-</u>	<u>248,000</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>-</u>	<u>248,000</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,550</u>

No assurance provided. See summary of significant assumptions.

**LEGATO COMMUNITY AUTHORITY
DEBT SERVICE FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/12/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ -	\$ -	\$ 4,198,832
REVENUES			
Interest income	-	150	4,200
Intergovernmental revenue - No. 1	-	-	54
Intergovernmental revenue - No. 2	-	-	239
Intergovernmental revenue - No. 3	-	-	95
Intergovernmental revenue - No. 7	-	-	126
Total revenues	-	150	4,714
TRANSFERS IN			
Transfers from other funds	-	4,486,091	-
Total funds available	-	4,486,241	4,203,546
EXPENDITURES			
General and administrative			
Paying agent fees	-	-	10,000
Contingency	-	5,693	5,050
Debt Service			
Bond interest - 2021A-1	-	281,716	610,950
Total expenditures	-	287,409	626,000
Total expenditures and transfers out requiring appropriation	-	287,409	626,000
ENDING FUND BALANCE	\$ -	\$ 4,198,832	\$ 3,577,546
DEBT SERVICE SURPLUS	\$ -	\$ 2,677,000	\$ 2,677,000
CAPITALIZED INTEREST	-	1,521,832	900,546
TOTAL RESERVE	\$ -	\$ 4,198,832	\$ 3,577,546

No assurance provided. See summary of significant assumptions.

**LEGATO COMMUNITY AUTHORITY
CAPITAL PROJECTS FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/12/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ -	\$ -	\$ 27,575,689
REVENUES			
Interest income	-	1,500	28,000
Bond proceeds 2021A-1	-	12,645,000	-
Bond proceeds 2021A-2	-	15,527,806	-
Bond proceeds 2021B	-	5,269,000	-
Total revenues	-	33,443,306	28,000
Total funds available	-	33,443,306	27,603,689
EXPENDITURES			
Bond issue costs	-	1,181,526	-
Engineering	-	100,000	575,689
Legal services	-	-	25,000
Capital outlay	-	100,000	26,975,000
Contingency	-	-	28,000
Total expenditures	-	1,381,526	27,603,689
TRANSFERS OUT			
Transfers to other fund	-	4,486,091	-
Total expenditures and transfers out requiring appropriation	-	5,867,617	27,603,689
ENDING FUND BALANCE	\$ -	\$ 27,575,689	\$ -

No assurance provided. See summary of significant assumptions.

**LEGATO COMMUNITY AUTHORITY
2022 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.

Legato Metropolitan Districts Nos. 1-7 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

Operating Agreement

The District has entered into an Operating Agreement with Legato Metropolitan Districts Nos. 1-7. Pursuant to the Operating Agreement, the Districts have covenanted to impose an ad valorem mill levy upon all taxable property of the District.

Capital Pledge Agreement

Legato Metropolitan District Nos. 1-7 have entered into a Capital Pledge Agreement (the "Pledge Agreement") with Legato Community Authority. Pursuant to the Pledge Agreement, the Districts have covenanted to impose an ad valorem mill levy upon all taxable property of the District of 55.277mills (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.

Transfers

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 COMMUNITY AUTHORITY
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (Continued)

Operations Fee

The District imposes an operations fee to offset the operations and maintenance expenditures of the District. The annual amount per residential unit is \$550 and will be billed yearly as determined by the District.

Developer Advance

The District is in the development stage. As such, the operating and administrative expenditures will be mainly 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

Administrative and Operating Expenditures

Operating and administrative expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, management, accounting, insurance and meeting expense. Estimated expenditures related to street repairs and maintenance, street lights, street sweeping, landscaping, mowing, parks and open space maintenance, utilities and snow removal were also included in the budget.

Capital Outlay

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

Debt and Leases

Debt

On June 15, 2021 the District issued Limited Tax Supported Revenue Bonds (Series 2021A-1) in the par amount of \$12,645,000, Limited Tax Supported Convertible Capital Appreciation Revenue Bonds in the par amount of \$15,527,806 (Series 2021A-2) and Subordinate Limited Tax Supported Revenue Bonds (Series 2021B) in the amount of \$5,269,000, together the Bonds. The proceeds of the 2021A Senior Bonds will be used to: (i) finance public improvements related to the Development; (ii) fund capitalized interest on the 2021A-1 Senior Bonds; (iii) fund a portion of the Initial Deposit to the Surplus Fund; and (iv) pay a portion of the costs of issuance of the Bonds. The proceeds of the 2021B Subordinate Bonds will be used to finance additional public improvements related to the Development.

The 2021A-1 bonds will bear interest at the rate of 4.000% per annum for the first term and 5.000% for the remaining term. The 2021A-2 bonds accrete at 5.000% until 2036. The 2021B bonds will bear interest at 8.25% 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.

**LEGATO COMMUNITY AUTHORITY
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases – (continued)

Interest on the 2021A-1 and 2021A-2 Bonds is payable on each December 1 and June 1, commencing December 1, 2021 and principal payments are due on December 1.

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.

The outstanding long term obligations of the Authority are summarized in the table below:

	Balance at December 31, 2020	Additions*	Reductions*	Balance at December 31, 2021*
Limited Tax Supported				
Revenue Bonds, Series 2021A-1	\$ -	\$ 12,645,000	\$ -	\$ 12,645,000
Limited Tax Supported Convertible				
Capital Appreciaton Bonds, Series 2021A-2	-	15,527,806	-	15,527,806
Limited Tax Supported				
Revenue Bonds, Series 2021B	-	5,269,000	-	5,269,000
Accrued Interest Series				
2021B Bonds	-	236,997	-	236,997
O&M Developer Advances				
Principal	-	120,000	-	120,000
O&M Developer Advances				
Accrued interest	-	2,265	-	2,265
Total	\$ -	\$ 33,801,068	\$ -	\$ 33,798,803
	Balance at December 31, 2021*	Additions*	Reductions*	Balance at December 31, 2022*
Limited Tax Supported				
Revenue Bonds, Series 2021A-1	\$ 12,645,000	\$ -	\$ -	\$ 12,645,000
Limited Tax Supported Convertible				
Capital Appreciaton Bonds, Series 2021A-2	15,527,806	-	-	15,527,806
Limited Tax Supported				
Revenue Bonds, Series 2021B	5,269,000	-	-	5,269,000
Accrued Interest Series				
2021B Bonds	236,997	434,693	-	671,690
O&M Developer Advances				
Principal	120,000	399,260	-	519,260
O&M Developer Advances				
Accrued interest	2,265	21,380	-	23,645
Total	\$ 33,801,068	\$ 855,333	\$ -	\$ 34,656,401
*Estimates				

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

**LEGATO COMMUNITY AUTHORITY
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Reserves

Emergency Reserve

TABOR required local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. The Authority has provided for an emergency reserve equal to at least 3% of fiscal year spending for 2022, as defined under TABOR.

This information is an integral part of the accompanying budget.

**LEGATO COMMUNITY AUTHORITY
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
2022 BUDGET**

**\$12,645,000 Limited Tax Supported Revenue Bonds
Series 2021A-1
Dated June 15, 2021
Principal Due Annually December 1
Interest at 4.00% - 5.00%, Due June and December 1**

Year	Principal	Interest	Total
2021	-	281,716	281,716
2022	-	610,950	610,950
2023	-	610,950	610,950
2024	-	610,950	610,950
2025	-	610,950	610,950
2026	-	610,950	610,950
2027	-	610,950	610,950
2028	80,000	610,950	690,950
2029	125,000	607,750	732,750
2030	170,000	602,750	772,750
2031	205,000	595,950	800,950
2032	255,000	587,750	842,750
2033	290,000	577,550	867,550
2034	315,000	565,950	880,950
2035	330,000	553,350	883,350
2036	360,000	540,150	900,150
2037	375,000	525,750	900,750
2038	410,000	507,000	917,000
2039	430,000	486,500	916,500
2040	470,000	465,000	935,000
2041	495,000	441,500	936,500
2042	540,000	416,750	956,750
2043	565,000	389,750	954,750
2044	615,000	361,500	976,500
2045	645,000	330,750	975,750
2046	695,000	298,500	993,500
2047	730,000	263,750	993,750
2048	790,000	227,250	1,017,250
2049	825,000	187,750	1,012,750
2050	890,000	146,500	1,036,500
2051	2,040,000	102,000	2,142,000
Total	\$ 12,645,000	14,339,816	\$ 26,984,816

No assurance provided. See summary of significant assumptions.

**LEGATO COMMUNITY AUTHORITY
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
2022 BUDGET**

**\$15,527,809 Limited Tax Supported Convertible
Capital Appreciation Revenue Bonds Series 2021A-2
Dated June 15, 2021
Principal Due Annually December 1
Interest at 5.00%, Due June and December 1**

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	-	-	-
2022	-	-	-
2023	-	-	-
2024	-	-	-
2025	-	-	-
2026	-	-	-
2027	-	1,016,750	1,016,750
2028	110,000	1,016,750	1,126,750
2029	185,000	1,011,250	1,196,250
2030	255,000	1,002,000	1,257,000
2031	310,000	989,250	1,299,250
2032	395,000	973,750	1,368,750
2033	455,000	954,000	1,409,000
2034	510,000	931,250	1,441,250
2035	530,000	905,750	1,435,750
2036	585,000	879,250	1,464,250
2037	615,000	850,000	1,465,000
2038	680,000	819,250	1,499,250
2039	710,000	785,250	1,495,250
2040	775,000	749,750	1,524,750
2041	815,000	711,000	1,526,000
2042	885,000	670,250	1,555,250
2043	930,000	626,000	1,556,000
2044	1,005,000	579,500	1,584,500
2045	1,055,000	529,250	1,584,250
2046	1,145,000	476,500	1,621,500
2047	1,200,000	419,250	1,619,250
2048	1,290,000	359,250	1,649,250
2049	1,360,000	294,750	1,654,750
2050	1,455,000	226,750	1,681,750
2051	3,080,000	154,000	3,234,000
Total	\$ 20,335,000	\$ 17,930,750	\$ 38,265,750

No assurance provided. See summary of significant assumptions.