

**2022 ANNUAL REPORT**  
**LORETTO HEIGHTS METROPOLITAN DISTRICT NO. 2**

As required by Section 32-1-207(3)(c), C.R.S., the following report of the activities of Loretto Heights Metropolitan District No. 2 (“**LHMD No. 2**” or the “**District**”) from January 1, 2022 to December 31, 2022 is hereby submitted. This Annual Report may be reviewed together with Annual Reports for Loretto Heights Metropolitan District (“**LHMD**”) Nos. 1, 3-5 and the Loretto Heights Programming Metropolitan District (“**LHPMD**”). Collectively, LHMD Nos. 1-5 and LHPMD may be referred to herein as the “**Districts**”.

- A. Boundary changes made: No boundary changes were made or proposed during 2022.
- B. Intergovernmental Agreements entered into or terminated: For the District’s first Annual Report, what follows is a list of all Intergovernmental Agreements entered into or terminated by the District to date. Future Annual Reports will only list Intergovernmental Agreements entered into or terminated during the report year.
- **Eligible Government Entity Agreement** between the Districts and the Statewide Internet Portal Authority, effective September 21, 2020.
    - Terminated October 25, 2021.
  - **Intergovernmental Agreement for the Colorado Special Districts Property and Liability Pool**, effective September 21, 2020.
  - **Loretto Heights Community Authority Establishment Agreement** by and between LHMD Nos. 1-4, effective May 19, 2021.
  - **Operations Intergovernmental Agreement** by and among the Districts and Loretto Heights Community Authority, effective June 4, 2021.
  - **District No. 2 Capital Pledge Agreement** by and among the District, the Loretto Heights Community Authority, and UMB Bank, n.a.
  - **Continuing Disclosure Agreement** by and between the Loretto Heights Community Authority, LHMD Nos. 2, 3, and 4, ACM Loretto VI LLC, and UMB Bank, n.a.
  - **Intergovernmental Agreement Regarding PILOT** by and among LHMD Nos. 1-4, Loretto Heights Community Authority, ACM Loretto VII LLC, and the City and County of Denver, effective August 14, 2023.
- C. Access information to obtain a copy of rules and regulations adopted: The District has not adopted any rules and regulations as of December 31, 2022. In the event the District adopts rules and regulations in the future, such documents may be accessed at the offices of Special District Management Services, Inc., 141 Union

Blvd., Suite 150, Lakewood, CO 80228, 303-987-0835, or on the District's website: <https://lorettoheightsdistricts.com/>.

- D. Summary of litigation involving the District's public improvements: To our knowledge, there is no litigation involving the District's public improvements.
- E. Status of the District's construction of public improvements: The District did not construct any public improvements in 2022.
- F. Conveyances or dedications of facilities or improvements, constructed by the District, to the City and County of Denver: The District did not convey or dedicate any facilities or improvements to the City in 2022.
- G. Final assessed valuation of the District for the report year: \$420,220.00.
- H. Current year's budget: A copy of the District's 2023 budget is attached hereto as **Exhibit A**.
- I. Audited financial statements for the reporting year (or application for exemption from audit): The District is currently exempt from audit, pursuant to Section 29-1-604, C.R.S. A copy of the 2022 Application for Exemption from Audit is attached hereto as **Exhibit B**.
- J. Notice of any uncured events of default by the District, which continue beyond a ninety (90) day period, under any debt instrument: To our knowledge, there are no uncured events of default by the District which continue beyond a ninety (90) day period.
- K. Any inability of the District to pay its obligations as they come due, in accordance with the terms of such obligations, which continues beyond a ninety (90) day period: To our knowledge, the District has been able to pay its obligations as they come due.

**Exhibit A**

RESOLUTION NO. 2022 - 11 - 02  
A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE LORETTO HEIGHTS METROPOLITAN DISTRICT NO. 2  
TO ADOPT THE 2023 BUDGET AND APPROPRIATE SUMS OF MONEY

WHEREAS, the Board of Directors of the Loretto Heights Metropolitan District No. 2 (“District”) has appointed the District Accountant to prepare and submit a proposed 2023 budget to the Board at the proper time; and

WHEREAS, the District Accountant has submitted a proposed budget to this Board on or before October 15, 2022, for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on November 28, 2022 and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, the budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, reserve transfers and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution ("TABOR") and other laws or obligations which are applicable to or binding upon the District; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.

WHEREAS, the Board of Directors of the District has made provisions therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget; and

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, as more fully set forth in the budget, including any interfund transfers listed therein, so as not to impair the operations of the District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Loretto Heights Metropolitan District No. 2:

1. That the budget as submitted, amended, and summarized by fund, hereby is approved and adopted as the budget of the Loretto Heights Metropolitan District No. 2 for the 2023 fiscal year.

2. That the budget, as hereby approved and adopted, shall be certified by the Secretary of the District to all appropriate agencies and is made a part of the public records of the District.

3. That the sums set forth as the total expenditures of each fund in the budget attached hereto as **EXHIBIT A** and incorporated herein by reference are hereby appropriated from the revenues of each fund, within each fund, for the purposes stated.

ADOPTED this 28th day of November, 2022.

*Ann Finn*

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(SEAL)

EXHIBIT A  
(Budget)

**LORETTO HEIGHTS METROPOLITAN DISTRICT NO. 2**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDING DECEMBER 31, 2023**

**LORETTO HEIGHTS METROPOLITAN DISTRICT NO. 2  
SUMMARY  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/10/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	-	31,684	27,314
Specific ownership tax	-	128	1,114
Other revenue	-	-	4,572
Interest income	-	287	-
Total revenues	<u>-</u>	<u>32,099</u>	<u>33,000</u>
Total funds available	<u>-</u>	<u>32,099</u>	<u>33,000</u>
EXPENDITURES			
General Fund	-	7,379	9,000
Debt Service Fund	-	24,720	24,000
Total expenditures	<u>-</u>	<u>32,099</u>	<u>33,000</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>32,099</u>	<u>33,000</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.



**LORETTO HEIGHTS METROPOLITAN DISTRICT NO. 2**  
**PROPERTY TAX SUMMARY INFORMATION**  
**2023 BUDGET**  
**WITH 2021 ACTUAL AND 2022 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/10/23

ACTUAL	ESTIMATED	BUDGET
2021	2022	2023

**ASSESSED VALUATION**

Vacant land	\$ 30	\$ 487,440	\$ 419,220
Personal property	\$ -	\$ -	\$ 1,000
Certified Assessed Value	\$ 30	\$ 487,440	\$ 420,220

**MILL LEVY**

General	60.000	15.000	15.000
Debt Service	0.000	50.000	50.000
Total mill levy	60.000	65.000	65.000

**PROPERTY TAXES**

General	\$ 2	\$ 7,312	\$ 6,303
Debt Service	-	24,372	21,011
Budgeted property taxes	\$ 2	\$ 31,684	\$ 27,314

**BUDGETED PROPERTY TAXES**

<b>General</b>	<b>\$ 2</b>	<b>\$ 7,312</b>	<b>\$ 6,303</b>
<b>Debt Service</b>	<b>-</b>	<b>24,372</b>	<b>21,011</b>
	<b>\$ 2</b>	<b>\$ 31,684</b>	<b>\$ 27,314</b>

No assurance provided. See summary of significant assumptions.

**LORETTO HEIGHTS METROPOLITAN DISTRICT NO. 2  
GENERAL FUND  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/10/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
<b>REVENUES</b>			
Property taxes	-	7,312	6,303
Specific ownership tax	-	-	63
Other revenue	-	-	2,634
Interest income	-	67	-
Total revenues	-	7,379	9,000
Total funds available	-	7,379	9,000
<b>EXPENDITURES</b>			
General and administrative			
County Treasurer's fee	-	74	63
Contingency	-	-	2,634
Transfers to LHMD1	-	7,305	6,303
Total expenditures	-	7,379	9,000
Total expenditures and transfers out requiring appropriation	-	7,379	9,000
ENDING FUND BALANCE	\$ -	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

**LORETTO HEIGHTS METROPOLITAN DISTRICT NO. 2**  
**DEBT SERVICE FUND**  
**2023 BUDGET**  
**WITH 2021 ACTUAL AND 2022 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/10/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
<b>REVENUES</b>			
Property taxes	-	24,372	21,011
Specific ownership tax	-	128	1,051
Interest income	-	220	-
Other revenue	-	-	1,938
Total revenues	-	24,720	24,000
Total funds available	-	24,720	24,000
<b>EXPENDITURES</b>			
General and administrative			
County Treasurer's fee	-	246	210
Contingency	-	-	1,938
Transfers to LHCA	-	24,474	21,852
Total expenditures	-	24,720	24,000
Total expenditures and transfers out requiring appropriation	-	24,720	24,000
ENDING FUND BALANCE	\$ -	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

**LORETTO HEIGHTS METRO DISTRICT NO. 2  
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**

**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 District may impose an Operating Mill Levy of up to 65.000 mills, until the District imposes a Debt Mill Levy. Once the District imposes a Debt Mill Levy, the District's Operating Mill Levy cannot exceed 15.000 mills. The Debt Mill Levy shall not exceed 50.000 mills. The Programming District has the authority to levy 20.000 mills for the purpose of operating and maintaining the Programming District's facilities and services. The District has the authority to impose an additional Regional Mill Levy of 5.000 mills. The Regional Mill Levy shall not exceed a term of 25 years from December 31 of the tax collection year after which the Regional Mill Levy was first imposed. The District's Aggregate Mill Levy maximum is 85.000 mills (15 for Operations, 50 for Debt Service, and 20 for the Programming District), and does not include the Regional Mill Levy. All of these mill levies can be adjusted for any changes in the assessment ratios from the time of the service plan approval, August 26, 2019.

**LORETTO HEIGHTS METRO DISTRICT NO. 2  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues (Continued)**

**Property Taxes (continued)**

Senate Bill 21-293 among other things, designates multi-family residential real property (defined generally, as property that is a multi-structure of four or more units) as a new subclass of residential real property. For tax collection year 2023, the assessment rate for single family residential property decreases to 6.95% from 7.15%. The rate for multifamily residential property, the newly created subclass, decreases to 6.80% from 7.15%. Agricultural and renewable energy production property decreases to 26.4% from 29.0%. Producing oil and gas remains at 87.5%. All other nonresidential property stays at 29%.

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.

**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 5.00% of the property taxes collected.

**Expenditures**

**Administrative and Operating Expenditures**

Operating and administrative expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, accounting, insurance, banking, meeting expense and other administrative expenses.

**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 pay for the payment of its 2021 Bonds.

**Reserves**

**Emergency Reserve**

TABOR requires 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 spending for 2023, as defined under TABOR, as net tax revenue is transferred to District No. 1 which provides for the required reserve.

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

I, Ann Finn, hereby certify that I am the duly appointed Secretary of the Loretto Heights Metropolitan District No. 2, and that the foregoing is a true and correct copy of the budget for the budget year 2023, duly adopted at a meeting of the Board of Directors of the Loretto Heights Metropolitan District No. 2 held on November 28, 2022.

By: Ann Finn  
Secretary

**Exhibit B**

**APPLICATION FOR EXEMPTION FROM AUDIT****SHORT FORM**NAME OF GOVERNMENT  
ADDRESS**Loretto Heights Metropolitan District No. 2****8390 E Crescent Parkway****Suite 300****Greenwood Village, CO 80111**

CONTACT PERSON

**Jason Carroll**

PHONE

**303-779-5710**

EMAIL

[Jason.Carroll@claconnect.com](mailto:Jason.Carroll@claconnect.com)For the Year Ended  
12/31/22  
or fiscal year ended:**PART 1 - CERTIFICATION OF PREPARER**

I certify that I am skilled in governmental accounting and that the information in the application is complete and accurate, to the best of my knowledge.

NAME:

**Jason Carroll**

TITLE

**Accountant for the District**

FIRM NAME (if applicable)

**CliftonLarsonAllen LLP**

ADDRESS

**8390 E Crescent Parkway, Suite 300, Greenwood Village, CO 80111**

PHONE

**303-779-5710**

DATE PREPARED

**2/27/2023****PREPARER** (SIGNATURE REQUIRED)

See attached Accountant's Compilation Report.

Please indicate whether the following financial information is recorded  
using Governmental or Proprietary fund types**GOVERNMENTAL**  
(MODIFIED ACCRUAL BASIS)**PROPRIETARY**  
(CASH OR BUDGETARY BASIS)



## PART 2 - REVENUE

REVENUE: All revenues for all funds must be reflected in this section, including proceeds from the sale of the government's land, building, and equipment, and proceeds from debt or lease transactions. Financial information will not include fund equity information.

Line#	Description	Round to nearest Dollar	Please use this space to provide any necessary explanations
2-1	Taxes: Property (report mills levied in Question 10-6)	\$ 31,684	
2-2	Specific ownership	\$ 166	
2-3	Sales and use		
2-4	Other (specify):	\$ -	
2-5	Licenses and permits	\$ -	
2-6	Intergovernmental: Grants	\$ -	
2-7	Conservation Trust Funds (Lottery)	\$ -	
2-8	Highway Users Tax Funds (HUTF)	\$ -	
2-9	Other (specify):	\$ -	
2-10	Charges for services	\$ -	
2-11	Fines and forfeits	\$ -	
2-12	Special assessments	\$ -	
2-13	Investment income	\$ 287	
2-14	Charges for utility services	\$ -	
2-15	Debt proceeds (should agree with line 4-4, column 2)	\$ -	
2-16	Lease proceeds	\$ -	
2-17	Developer Advances received (should agree with line 4-4)	\$ -	
2-18	Proceeds from sale of capital assets	\$ -	
2-19	Fire and police pension	\$ -	
2-20	Donations	\$ -	
2-21	Other (specify):	\$ -	
2-22		\$ -	
2-23		\$ -	
2-24	(add lines 2-1 through 2-23) <b>TOTAL REVENUE</b>	\$ 32,137	

## PART 3 - EXPENDITURES/EXPENSES

EXPENDITURES: All expenditures for all funds must be reflected in this section, including the purchase of capital assets and principal and interest payments on long-term debt. Financial information will not include fund equity information.

Line#	Description	Round to nearest Dollar	Please use this space to provide any necessary explanations
3-1	Administrative	\$ -	
3-2	Salaries	\$ -	
3-3	Payroll taxes	\$ -	
3-4	Contract services	\$ -	
3-5	Employee benefits	\$ -	
3-6	Insurance	\$ -	
3-7	Accounting and legal fees	\$ -	
3-8	Repair and maintenance	\$ -	
3-9	Supplies	\$ -	
3-10	Utilities and telephone	\$ -	
3-11	Fire/Police	\$ -	
3-12	Streets and highways	\$ -	
3-13	Public health	\$ -	
3-14	Capital outlay	\$ -	
3-15	Utility operations	\$ -	
3-16	Culture and recreation	\$ -	
3-17	Debt service principal (should agree with Part 4)	\$ -	
3-18	Debt service interest	\$ -	
3-19	Repayment of Developer Advance Principal (should agree with line 4-4)	\$ -	
3-20	Repayment of Developer Advance Interest	\$ -	
3-21	Contribution to pension plan (should agree to line 7-2)	\$ -	
3-22	Contribution to Fire & Police Pension Assoc. (should agree to line 7-2)	\$ -	
3-23	Other (specify): County Treasurer's Fees	\$ 320	
3-24	Other (specify): Transfers to other Districts	\$ 31,817	
3-25		\$ -	
3-26	(add lines 3-1 through 3-24) <b>TOTAL EXPENDITURES/EXPENSES</b>	\$ 32,137	

If TOTAL REVENUE (Line 2-24) or TOTAL EXPENDITURES (Line 3-26) are GREATER than \$100,000 - **STOP**. You may not use this form. Please use the "Application for Exemption from Audit - LONG FORM".

## PART 4 - DEBT OUTSTANDING, ISSUED, AND RETIRED

Please answer the following questions by marking the appropriate boxes.

Yes                      No

4-1	Does the entity have outstanding debt? If Yes, please attach a copy of the entity's Debt Repayment Schedule.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-2	Is the debt repayment schedule attached? If no, MUST explain: <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">N/A - The District has no debt</div>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-3	Is the entity current in its debt service payments? If no, MUST explain: <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">N/A - The District has no debt</div>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-4	Please complete the following debt schedule, if applicable: (please only include principal amounts)(enter all amount as positive numbers)	Outstanding at end of prior year*	Issued during year
	General obligation bonds	\$ -	\$ -
	Revenue bonds	\$ -	\$ -
	Notes/Loans	\$ -	\$ -
	Lease Liabilities	\$ -	\$ -
	Developer Advances	\$ -	\$ -
	Other (specify):	\$ -	\$ -
	<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>

\*must tie to prior year ending balance

Please answer the following questions by marking the appropriate boxes.

Yes                      No

4-5	Does the entity have any authorized, but unissued, debt? If yes: How much? <div style="border: 1px solid black; padding: 2px; display: inline-block; margin-left: 20px;">\$ 1,259,700,000.00</div> Date the debt was authorized: <div style="border: 1px solid black; padding: 2px; display: inline-block; margin-left: 20px;">11/5/2019</div>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4-6	Does the entity intend to issue debt within the next calendar year? If yes: How much? <div style="border: 1px solid black; padding: 2px; display: inline-block; margin-left: 20px;">\$ -</div>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-7	Does the entity have debt that has been refinanced that it is still responsible for? If yes: What is the amount outstanding? <div style="border: 1px solid black; padding: 2px; display: inline-block; margin-left: 20px;">\$ -</div>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-8	Does the entity have any lease agreements? If yes: What is being leased? <div style="border: 1px solid black; padding: 2px; margin-left: 20px;"> </div> What is the original date of the lease? <div style="border: 1px solid black; padding: 2px; margin-left: 20px;"> </div> Number of years of lease? <div style="border: 1px solid black; padding: 2px; margin-left: 20px;"> </div> Is the lease subject to annual appropriation? What are the annual lease payments? <div style="border: 1px solid black; padding: 2px; display: inline-block; margin-left: 20px;">\$ -</div>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Please use this space to provide any explanations or comments:

## PART 5 - CASH AND INVESTMENTS

Please provide the entity's cash deposit and investment balances.

Amount                      Total

5-1	YEAR-END Total of ALL Checking and Savings Accounts	\$ -	
5-2	Certificates of deposit	\$ -	
	<b>Total Cash Deposits</b>		\$ -
	Investments (if investment is a mutual fund, please list underlying investments):		
5-3		\$ -	
		\$ -	
		\$ -	
	<b>Total Investments</b>		\$ -
	<b>Total Cash and Investments</b>		\$ -

Please answer the following questions by marking in the appropriate boxes

Yes                      No                      N/A

5-4	Are the entity's Investments legal in accordance with Section 24-75-601, et. seq., C.R.S.?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5-5	Are the entity's deposits in an eligible (Public Deposit Protection Act) public depository (Section 11-10.5-101, et seq. C.R.S.)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

If no, MUST use this space to provide any explanations:

## PART 6 - CAPITAL AND RIGHT-TO-USE ASSETS

Please answer the following questions by marking in the appropriate boxes.

Yes                      No

- 6-1 Does the entity have capital assets?  Yes       No
- 6-2 Has the entity performed an annual inventory of capital assets in accordance with Section 29-1-506, C.R.S.,? If no, MUST explain:  Yes       No

N/A The District has no capital assets.

Complete the following capital & right-to-use assets table:	Balance - beginning of the year*	Additions (Must be included in Part 3)	Deletions	Year-End Balance
Land	\$ -	\$ -	\$ -	\$ -
Buildings	\$ -	\$ -	\$ -	\$ -
Machinery and equipment	\$ -	\$ -	\$ -	\$ -
Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
Infrastructure	\$ -	\$ -	\$ -	\$ -
Construction In Progress (CIP)	\$ -	\$ -	\$ -	\$ -
Leased Right-to-Use Assets	\$ -	\$ -	\$ -	\$ -
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation/Amortization (Please enter a negative, or credit, balance)	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Please use this space to provide any explanations or comments:

## PART 7 - PENSION INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes                      No

- 7-1 Does the entity have an "old hire" firefighters' pension plan?  Yes       No
- 7-2 Does the entity have a volunteer firefighters' pension plan?  Yes       No

If yes: Who administers the plan?

Indicate the contributions from:

Tax (property, SO, sales, etc.):	\$ -
State contribution amount:	\$ -
Other (gifts, donations, etc.):	\$ -
<b>TOTAL</b>	<b>\$ -</b>

What is the monthly benefit paid for 20 years of service per retiree as of Jan 1?

Please use this space to provide any explanations or comments:

## PART 8 - BUDGET INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes                      No                      N/A

- 8-1 Did the entity file a budget with the Department of Local Affairs for the current year in accordance with Section 29-1-113 C.R.S.?  Yes       No       N/A

- 8-2 Did the entity pass an appropriations resolution, in accordance with Section 29-1-108 C.R.S.? If no, MUST explain:  Yes       No       N/A

If yes: Please indicate the amount budgeted for each fund for the year reported:

Governmental/Proprietary Fund Name	Total Appropriations By Fund
General Fund	\$ 7,700
Debt Service Fund	\$ 25,800

## PART 9 - TAXPAYER'S BILL OF RIGHTS (TABOR)

	Please answer the following question by marking in the appropriate box	Yes	No
<b>9-1</b>	<b>Is the entity in compliance with all the provisions of TABOR [State Constitution, Article X, Section 20(5)]?</b> <small>Note: An election to exempt the government from the spending limitations of TABOR does not exempt the government from the 3 percent emergency reserve requirement. All governments should determine if they meet this requirement of TABOR.</small>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

**If no, MUST explain:**

## PART 10 - GENERAL INFORMATION

	Please answer the following questions by marking in the appropriate boxes.	Yes	No
<b>10-1</b>	<b>Is this application for a newly formed governmental entity?</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes:	<b>Date of formation:</b> <input style="width: 400px;" type="text"/>		
<b>10-2</b>	<b>Has the entity changed its name in the past or current year?</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes:	<b>Please list the NEW name &amp; PRIOR name:</b> <input style="width: 400px;" type="text" value="N/A"/>		
<b>10-3</b>	<b>Is the entity a metropolitan district?</b> <b>Please indicate what services the entity provides:</b> <input style="width: 400px;" type="text" value="See below."/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>10-4</b>	<b>Does the entity have an agreement with another government to provide services?</b> If yes: <b>List the name of the other governmental entity and the services provided:</b> <input style="width: 400px;" type="text" value="See below."/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>10-5</b>	<b>Has the district filed a <i>Title 32, Article 1 Special District Notice of Inactive Status</i> during the</b> If yes: <b>Date Filed:</b> <input style="width: 400px;" type="text"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>10-6</b>	<b>Does the entity have a certified Mill Levy?</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
If yes:	<b>Please provide the following <u>mills</u> levied for the year reported (do not report \$ amounts):</b>		
	<b>Bond Redemption mills</b>		<input style="width: 80px;" type="text" value="50.000"/>
	<b>General/Other mills</b>		<input style="width: 80px;" type="text" value="15.000"/>
	<b>Total mills</b>		<input style="width: 80px;" type="text" value="65.000"/>

**Please use this space to provide any explanations or comments:**

10-3 Public improvements for streets, paks and recreation, water, sanitary/storm sewer, transportation, mosquito control, safety protection, fire protection, television and relay translation, security, and opearation and maintenance.

10-4 Loretto Heights Metro Districts No. 1 through 5 and Loretto Heights Programming District work together to provide services to the Loretto Heights Community.

## PART 11 - GOVERNING BODY APPROVAL

Please answer the following question by marking in the appropriate box		YES	NO
12-1	If you plan to submit this form electronically, have you read the new Electronic Signature Policy?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

### Office of the State Auditor — Local Government Division - Exemption Form Electronic Signatures Policy and Procedure

#### Policy - Requirements

The Office of the State Auditor Local Government Audit Division may accept an electronic submission of an application for exemption from audit that includes governing board signatures obtained through a program such as DocuSign or Echosign. Required elements and safeguards are as follows:

- The preparer of the application is responsible for obtaining board signatures that comply with the requirement in Section 29-1-604 (3), C.R.S., that states the application shall be personally reviewed, approved, and signed by a majority of the members of the governing body.
- The application must be accompanied by the signature history document created by the electronic signature software. The signature history document must show when the document was created and when the document was emailed to the various parties, and include the dates the individual board members signed the document. The signature history must also show the individuals' email addresses and IP address.
- Office of the State Auditor staff will not coordinate obtaining signatures.

**The application for exemption from audit form created by our office includes a section for governing body approval. Local governing boards note their approval and submit the application through one of the following three methods:**

- 1) Submit the application in hard copy via the US Mail including original signatures.
- 2) Submit the application electronically via email and either,
  - a. Include a copy of an adopted resolution that documents formal approval by the Board, **or**
  - b. Include electronic signatures obtained through a software program such as DocuSign or Echosign in accordance with the requirements noted above.

Print the names of ALL members of current governing body below.		A MAJORITY of the members of the governing body must complete and sign in the column below.
Board Member 1	Print Board Member's Name Mark Witkiewicz	I, <u>Mark Witkiewicz</u> , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed <u>Mark Witkiewicz</u> Date: <u>3/8/2023</u> My term Expires: May 2025
Board Member 2	Print Board Member's Name Paige Langley	I, <u>Paige Langley</u> , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed <u>Paige Langley</u> Date: <u>3/8/2023</u> My term Expires: May 2023
Board Member 3	Print Board Member's Name Andrew Klein	I, <u>Andrew Klein</u> , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed <u>Andrew Klein</u> Date: <u>3/8/2023</u> My term Expires: May 2025
Board Member 4	Print Board Member's Name Otis Moore	I, <u>Otis Moore</u> , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: May 2023
Board Member 5	Print Board Member's Name Megan Waldschmidt	I, <u>Megan Waldschmidt</u> , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: May 2023
Board Member 6	Print Board Member's Name	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 7	Print Board Member's Name	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____



**CliftonLarsonAllen LLP**  
8390 East Crescent Pkwy., Suite 300  
Greenwood Village, CO 80111

phone 303-779-5710 fax 303-779-0348  
[CLAAconnect.com](http://CLAAconnect.com)

## **Accountant's Compilation Report**

Board of Directors  
Loretto Heights Metropolitan District No. 2  
City and County of Denver, Colorado

Management is responsible for the accompanying Application for Exemption from Audit of Loretto Heights Metropolitan District No. 2 as of and for the year ended December 31, 2022, included in the accompanying prescribed form. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements included in the accompanying prescribed form nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the financial statements included in the accompanying prescribed form.

The Application for Exemption from Audit is presented in accordance with the requirements of the Colorado Office of the State Auditor, which differ from accounting principles generally accepted in the United States of America.

This report is intended solely for the information and use of the Colorado Office of the State Auditor and is not intended to be and should not be used by anyone other than this specified party.

We are not independent with respect to Loretto Heights Metropolitan District No. 2.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

Greenwood Village, Colorado  
February 21, 2023

**Certificate Of Completion**

Envelope Id: 1108CB5C7C324A2780A4383AB41B772E	Status: Completed
Subject: Complete with DocuSign: Audit Exemption_Loretto Heights MD2.pdf	
Client Name: Loretto Heights Metropolitan District No. 2	
Client Number: A162264	
Source Envelope:	
Document Pages: 8	Signatures: 3
Certificate Pages: 5	Initials: 0
AutoNav: Enabled	Envelope Originator:
Enveloped Stamping: Enabled	Spencer Johnson
Time Zone: (UTC-06:00) Central Time (US & Canada)	220 S 6th St Ste 300
	Minneapolis, MN 55402-1418
	spencer.johnson@claconnect.com
	IP Address: 50.169.146.162

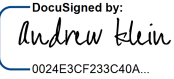
**Record Tracking**

Status: Original 3/8/2023 12:54:23 PM	Holder: Spencer Johnson spencer.johnson@claconnect.com	Location: DocuSign
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**Signer Events**

Andrew Klein  
 aklein@westsideinv.com  
 Mgr  
 Security Level: Email, Account Authentication (None)

**Signature**

DocuSigned by:  
  
 0024E3CF233C40A...  
 Signature Adoption: Pre-selected Style  
 Using IP Address: 8.48.69.46  
 Signed using mobile

**Timestamp**

Sent: 3/8/2023 12:59:50 PM  
 Viewed: 3/8/2023 2:26:18 PM  
 Signed: 3/8/2023 2:26:25 PM

**Electronic Record and Signature Disclosure:**  
 Accepted: 3/8/2023 2:26:18 PM  
 ID: 29b6c415-f0cb-4bae-93c8-f9ca5c8440d2

Mark Witkiewicz  
 MarkW@westsideinv.com  
 President  
 Security Level: Email, Account Authentication (None)

DocuSigned by:  
  
 83D9CD4B115F469...  
 Signature Adoption: Pre-selected Style  
 Using IP Address: 96.93.223.173

Sent: 3/8/2023 12:59:51 PM  
 Viewed: 3/8/2023 5:00:33 PM  
 Signed: 3/8/2023 5:00:41 PM

**Electronic Record and Signature Disclosure:**  
 Accepted: 3/8/2023 5:00:33 PM  
 ID: 8172916a-f0e2-4135-bcfe-e548d56ec50d

Paige Langley  
 PLangley@westsideinv.com  
 Security Level: Email, Account Authentication (None)

DocuSigned by:  
  
 4C35ED159C8044C...  
 Signature Adoption: Pre-selected Style  
 Using IP Address: 96.93.223.173

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**Electronic Record and Signature Disclosure:**  
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 ID: 4538b78f-9932-4420-8371-fd9417adad0a

In Person Signer Events	Signature	Timestamp
Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp



<b>Certified Delivery Events</b>	<b>Status</b>	<b>Timestamp</b>
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<b>Carbon Copy Events</b>	<b>Status</b>	<b>Timestamp</b>
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<b>Witness Events</b>	<b>Signature</b>	<b>Timestamp</b>
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<b>Notary Events</b>	<b>Signature</b>	<b>Timestamp</b>
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<b>Envelope Summary Events</b>	<b>Status</b>	<b>Timestamps</b>
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Envelope Updated	Security Checked	3/9/2023 2:09:58 PM
Envelope Updated	Security Checked	3/9/2023 2:09:58 PM
Certified Delivered	Security Checked	3/8/2023 4:26:48 PM
Signing Complete	Security Checked	3/8/2023 4:26:57 PM
Completed	Security Checked	3/9/2023 2:09:58 PM

<b>Payment Events</b>	<b>Status</b>	<b>Timestamps</b>
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<b>Electronic Record and Signature Disclosure</b>
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## **ELECTRONIC RECORD AND SIGNATURE DISCLOSURE**

From time to time, CliftonLarsonAllen LLP (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

### **Getting paper copies**

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

### **Withdrawing your consent**

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

### **Consequences of changing your mind**

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

### **All notices and disclosures will be sent to you electronically**

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

#### **How to contact CliftonLarsonAllen LLP:**

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: [BusinessTechnology@CLAconnect.com](mailto:BusinessTechnology@CLAconnect.com)

#### **To advise CliftonLarsonAllen LLP of your new email address**

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at [BusinessTechnology@CLAconnect.com](mailto:BusinessTechnology@CLAconnect.com) and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

#### **To request paper copies from CliftonLarsonAllen LLP**

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to [BusinessTechnology@CLAconnect.com](mailto:BusinessTechnology@CLAconnect.com) and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

#### **To withdraw your consent with CliftonLarsonAllen LLP**

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;

ii. send us an email to [BusinessTechnology@CLAconnect.com](mailto:BusinessTechnology@CLAconnect.com) and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

### **Required hardware and software**

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: <https://support.docusign.com/guides/signer-guide-signing-system-requirements>.

### **Acknowledging your access and consent to receive and sign documents electronically**

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to ‘I agree to use electronic records and signatures’ before clicking ‘CONTINUE’ within the DocuSign system.

By selecting the check-box next to ‘I agree to use electronic records and signatures’, you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify CliftonLarsonAllen LLP as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by CliftonLarsonAllen LLP during the course of your relationship with CliftonLarsonAllen LLP.