

CERTIFIED RECORD
OF
PROCEEDINGS RELATING TO
LOVELAND MIDTOWN METROPOLITAN DISTRICT
LARIMER COUNTY, COLORADO
AND THE BUDGET HEARING
FOR FISCAL YEAR
2015

STATE OF COLORADO)
)
COUNTY OF LARIMER)ss.
)
LOVELAND MIDTOWN)
METROPOLITAN)
DISTRICT)

The Board of Directors of the Loveland Midtown Metropolitan District, Larimer County, Colorado, held a meeting at the office of Pinnacle Consulting Group, Inc., 1627 East 18th Street, Loveland, CO 80538 on October 29, 2014, at 10:00 AM.

The following members of the Board of Directors were present:

Blaine Rappe, President
Nathan Klein, Vice President
Randy Vinding, Asst. Secretary/Treasurer
Eric Holsapple, Asst. Secretary/Treasurer
Curtis D. Zimmerman, Secretary/Treasurer

Also in attendance were:

Deborah Early, Icenogle, Seaver, Pogue, P.C.
Kammy Tinney and Brendan Campbell; Pinnacle Consulting Group, Inc.

Ms. Tinney stated that proper publication was made to allow the Board to conduct a public hearing on the District's 2015 budget. Director Rappe opened the public hearing on the District's proposed 2015 budget. There being no public comment on the District's budget, the public hearing was closed.

Thereupon, Director Klein introduced and moved the adoption of the following Resolution:

RESOLUTION

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES, ADOPTING A BUDGET, SETTING FORTH MILL LEVIES, AND APPROPRIATING SUMS OF MONEY TO THE GENERAL FUND IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE LOVELAND MIDTOWN METROPOLITAN DISTRICT, LARIMER COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2015, AND ENDING ON THE LAST DAY OF DECEMBER 2015,

WHEREAS, the Board of Directors of the Loveland Midtown Metropolitan District has authorized its consultants to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget has been submitted to the Board of Directors of the District for its consideration; and

WHEREAS, upon due and proper notice, published on October 23, 2014 in The Loveland Reporter- Herald, a newspaper having general circulation within the boundaries of the District, pursuant to statute, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on October 29, 2014, and interested electors were given the opportunity to file or register any objections to said proposed budget; 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,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF LOVELAND MIDTOWN METROPOLITAN DISTRICT OF LARIMER COUNTY, COLORADO:

Section 1. 2015 Budget Revenues. That the estimated revenues for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 2. 2015 Budget Expenditures. That the estimated expenditures for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 3. Adoption of Budget for 2015. That the budget as submitted and attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted as the budget of the Loveland Midtown Metropolitan District for calendar year 2015.

Section 4. 2015 Levy of General Property Taxes. That the foregoing budget indicated that the amount of money necessary to balance the budget for the General Fund from property taxes for operating expenses is \$83,586.24. That the 2014 valuation for assessment, as certified by the Larimer County Assessor, is \$3,482,760.

- A. Levy for General Fund. That for the purposes of meeting all general operating expense of the District during the 2015 budget year, there is hereby levied a tax of 24.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2014.

- B. Levy for General Obligation Bonds and Interest. That for the purposes of meeting all general obligation bond and interest approved at election of the District during the 2015 budget year, there is hereby levied a tax of 16.000 mills upon each dollar of the 2014 total valuation of assessment of all taxable property within the District.

Section 5. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

Section 6. Certification to County Commissioners. The District's manager is hereby authorized and directed to immediately certify to the County Commissioners of Larimer County, Colorado, the 40.000 mill levy for the District hereinabove determined and set. That said certification shall be in substantially the following form:

[Remainder of this page left intentionally blank]

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of Larimer County, Colorado.

On behalf of the Loveland Midtown Metropolitan District,

(taxing entity)^A

the Board of Directors

(governing body)^B

of the Loveland Midtown Metropolitan District

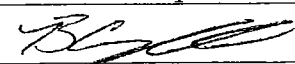
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 3,482,760 assessed valuation of: (GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 3,482,760 (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)

Submitted: 12/11/2014 for budget/fiscal year 2015.
(not later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	<u>24.000</u> mills	\$ <u>83,586.24</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	24.000 mills	\$ 83,586.24
3. General Obligation Bonds and Interest ^J	<u>16.000</u> mills	\$ <u>55,724.16</u>
4. Contractual Obligations ^K	_____ mills	\$ _____
5. Capital Expenditures ^L	_____ mills	\$ _____
6. Refunds/Abatements ^M	_____ mills	\$ _____
7. Other ^N (specify): _____	_____ mills	\$ _____
	_____ mills	\$ _____
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	40.000 mills	\$ 139,310.40

Contact person: (print) Brendan Campbell Daytime phone: (970) 669-3611
Signed:  Title: District Accountant

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 866-2156.

¹ If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.
² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's final certification of valuation).

CERTIFICATION OF TAX LEVIES, continued

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

- | | | |
|-------|-------------------|--|
| 1. | Purpose of Issue: | Repay Loveland Midtown Metropolitan District's Series 2011A Limited Tax General Obligation Bonds of \$1,100,000 to fund infrastructure improvement |
| | Series: | 2011A |
| | Date of Issue: | 12/28/2011 |
| | Coupon Rate: | Variable Rate |
| | Maturity Date: | 12/01/2051 |
| | Levy: | 16.000 |
| | Revenue: | 55,724.16 |
| <hr/> | | |
| 2. | Purpose of Issue: | Repay Loveland Midtown Metropolitan District's Series 2011B Subordinate Limited Tax Obligation Bonds of \$250,000 to fund infrastructure improvement |
| | Series: | 2011B |
| | Date of Issue: | 12/28/2011 |
| | Coupon Rate: | Variable Rate |
| | Maturity Date: | 12/01/2051 |
| | Levy: | See Levy as listed above in 1. |
| | Revenue: | See Revenue as listed above in 1. |

CONTRACTS^K:

- | | | |
|-------|----------------------|-------|
| 3. | Purpose of Contract: | _____ |
| | Title: | _____ |
| | Date: | _____ |
| | Principal Amount: | _____ |
| | Maturity Date: | _____ |
| | Levy: | _____ |
| | Revenue: | _____ |
| <hr/> | | |
| 4. | Purpose of Contract: | _____ |
| | Title: | _____ |
| | Date: | _____ |
| | Principal Amount: | _____ |
| | Maturity Date: | _____ |
| | Levy: | _____ |
| | Revenue: | _____ |

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

Section 7. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

Section 8. Budget Certification. That the budget shall be certified by Director Zimmerman, Secretary/Treasurer of the District, and made a part of the public records of Loveland Midtown Metropolitan District.

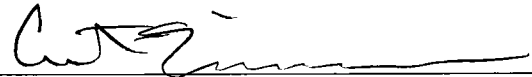
The foregoing resolution was seconded by Director Holsapple

[Remainder of page intentionally left blank]

ADOPTED AND APPROVED this 29th day of October, 2014.


Vice President

ATTEST:

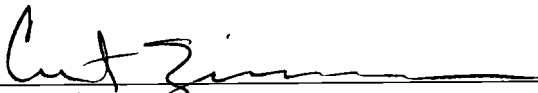

Secretary/Treasurer

STATE OF COLORADO)
)
COUNTY OF LARIMER)ss.
)
LOVELAND MIDTOWN)
METROPOLITAN)
DISTRICT)

I, Curtis Zimmerman, Secretary/Treasurer to the Board of Directors of the Loveland Midtown Metropolitan District, Larimer County, Colorado, do hereby certify that the foregoing pages numbered 1 to 7, inclusive, constitute a true and correct copy of the record of proceedings of the Board of Directors of said District, adopted at a meeting of the Board held at the office of Pinnacle Consulting Group, Inc., 1627 E. 18th Street, CO 80538 on October 29, 2014, at 10:00 AM, as recorded in the official record of the proceedings of the District, insofar as said proceedings relate to the budget hearing for fiscal year 2015; that said proceedings were duly had and taken; that the meeting was duly held; and that the persons were present at the meeting as therein shown. Further, I hereby certify that the attached budget is a true and accurate copy of the 2015 budget of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the official seal of the District this 29th day of October, 2014.

(S E A L)


Secretary/Treasurer



Accountant's Compilation Report

BOARD OF DIRECTORS
LOVELAND MIDTOWN METROPOLITAN DISTRICT

I have compiled the accompanying forecasted budget of revenue, expenditures and funds balances of Loveland Midtown Metropolitan District for the year ending December 31, 2015, including the forecasted estimate of comparative information for the year ending December 31, 2014, in accordance with attestation standards established by the American Institute of Certified Public Accountants. A Compilation is limited to presenting, in the form of a forecast, information that is the representation of management and does not include evaluation of the support for the assumptions underlying the forecast. We have not audited or reviewed the forecast and, accordingly, do not express an opinion or any other form of assurance about whether the accompanying budget of revenues, expenditures, and fund balances or assumptions are in accordance with attestation standards generally accepted in the United States of America. Furthermore, there will usually be differences between the forecasted and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. I have no responsibility to update this report for events and circumstances occurring after the date of this report.

Management is responsible for the preparation and fair presentation of the forecast in accordance with attestation standards generally accepted in the United States of America, and for designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the forecast.

The actual historical information for the year 2013 is presented for comparative purposes only.

Management has elected to omit the summary of significant accounting policies required by the guidelines for presentation of a forecast established by the American Institute of Certified Public Accountants. If the omitted disclosures were included in the forecast, they might influence the user's conclusions about the District's results of operations for the forecasted periods. Accordingly, this forecast is not designed for those who are not informed about such matters.

I am not independent with respect to the Loveland Midtown Metropolitan District because I am responsible for the day to day accounting and financial management of the District.

A handwritten signature in black ink, appearing to read "B. Campbell", is positioned above the printed name.

Brendan Campbell, CPA
January 7, 2015

LOVELAND MIDTOWN METROPOLITAN DISTRICT				
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS				
December 31, 2013 Actual, 2014 Adopted Budget & Projected				
2015 Adopted Budget				7-Jan-15
Modified Accrual Budgetary Basis				
GENERAL FUND	2013	2014	2014	2015
	Unaudited	Adopted	Projected	Adopted
Revenues	Actual	Budget	Budget	Budget
Property Taxes	\$78,004	\$86,140	\$85,775	\$83,586
Specific Ownership Taxes	5,790	5,168	7,032	6,269
Interest Income & Other	67	31	31	50
Total Revenues	\$83,861	\$91,339	\$92,838	\$89,905
Expenditures				
Accounting	\$6,560	\$7,500	\$7,500	\$7,700
District Management & Administration	16,992	16,000	18,000	20,000
Election	-	2,000	2,000	-
Insurance & Risk management	2,521	2,550	2,707	2,842
Legal	5,671	6,500	6,500	6,500
Landscape Base Contract	26,134	21,000	21,000	21,000
Landscape Maint Repairs & Maint	0	13,750	13,750	13,750
Utilities	10,781	15,000	12,000	12,200
Website Maintenance	-	300	300	300
Office, Dues, Newsletters & Other	1,070	1,150	1,100	1,100
Fence Stain	6,636	5,500	5,500	2,500
Treasurer's Fees	1,564	1,723	1,760	1,672
Total Operating Expenditures	\$77,928	\$92,973	\$92,117	\$89,564
Revenues over/(under) Expend	\$5,933	(\$1,634)	\$721	\$341
Beginning Fund Balance	16,617	20,916	22,550	23,271
Ending Fund Balance	\$22,550	\$19,282	\$23,271	\$23,613
DEBT SERVICE FUND				
	2013	2014	2014	2015
	Unaudited	Adopted	Projected	Proposed
Revenues	Actual	Budget	Budget	Budget
Property Taxes	\$41,976	\$51,684	\$51,684	\$55,724
Specific Ownership Tax	3,097	3,101	4,220	4,179
Total Revenues	\$45,073	\$54,785	\$55,904	\$59,903
Expenditures				
Bond Interest - 2011A	\$43,994	\$54,187	\$54,187	\$62,897
Treasurer's Fees	841	1,034	1,034	1,114
Total Debt Service Expenditures	\$44,835	\$55,221	\$55,221	\$64,011
Revenues over/(under) Expenditures	\$237	(\$436)	\$683	(\$4,108)
Beginning Fund Balance	3,188	2,852	3,425	4,108
Ending Fund Balance	\$3,425	\$2,416	\$4,108	(\$0)
See Accompanying Accountant's Report				

LOVELAND MIDTOWN METROPOLITAN DISTRICT

2015 BUDGET MESSAGE

Loveland Midtown Metropolitan District is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act. The District was formed in May 2004. The District was established for the North Boise Village area located in the City of Loveland, Colorado and organized to provide financing for the acquisition, construction and installation of water, sanitation, storm drainage, irrigation water distribution and parks and recreation improvements and to provide the operation and maintenance of the landscaping/recreation improvements and covenant enforcement services.

The District has no employees at this time and all operations and administrative functions are contracted.

The budget is prepared on the modified accrual basis of accounting, which is consistent with the basis of accounting used in presenting the District's financial statements.

In preparing the 2015 budget, the following goals are foremost for the District:

- Provide maintenance of parks and open space and covenant enforcement as desired by the property owners and residents of the District in the most economic manner possible.

Overview

Highlights of the 2015 budget include the following:

- The District's assessed value increased by \$31,950 to \$3,482,760, increasing the 2015 budgeted property tax revenue by \$1,486.
- Based on the 2011 bond documents, the Mill Levy in the Debt Service Fund increased by 1 mill to 16 mills in 2015, causing the General Fund mill to decrease 1 mill to 24 mills. The decrease in the General Fund mill levy caused a decrease in property tax revenue of \$2,554.

General Fund

Revenue

The District has an assessed value of \$3,482,760 and a certified mill levy in the General Fund of 24 mills, which will produce property tax revenue of \$83,586. Specific ownership tax is estimated at 7.5% of property tax revenue in the amount of \$6,269. The District also estimates \$50 in interest and other income.

Expenses

In 2015, the District's budget for general and administrative expenditures is \$89,564, a decrease of \$3,409 from the 2014 budget. The District anticipates an increase in District Management expenditures of \$4,000. This increase is offset by decreases to election expense of \$2,000, utilities of \$2,800, and fence staining of \$3,000.

Debt Service

Revenue

The District has an assessed value of \$3,482,760 and a certified mill levy in the Debt Service Fund of 16 mills, which will produce property tax revenue of \$55,724. Specific ownership tax is estimated at 7.5% of property tax revenue in the amount of \$4,179.

Expenses

Expenditures for interest and other payments budgeted in the amount of \$64,011 are related to the Series 2011A, \$1,100,000 Limited Tax General Obligation Bonds and the Series 2011B, \$250,000 Subordinate Limited Tax General Obligation Bonds.

Debt

On December 28, 2011, the District issued Limited Tax General Obligation Bonds, Series 2011A, in the amount of \$1,100,000 and Subordinate Limited Tax General Obligation Bonds, Series 2011B, in the amount of \$250,000. The Series 2011A bonds carry an interest rate of 3.4% to 6.5% due and payable semi-annually on June 1 and December 1. Principal payments are due semi-annually on June 1 and on December 1. The Series 2011B bonds are subordinate to the 2011A bonds and carry an interest rate of 9.0% due and payable semi-annually on June 1 and December 1 through 2051. The 2011A bonds mature in 2051. The 2011B bonds are not subject to mandatory redemption, therefore the principal is not expected to be repaid until it matures in 2051.

Reserves

The District has provided for an emergency reserve fund equal to at least 3% of the fiscal year spending for 2014, as defined under TABOR.

CERTIFICATION OF VALUATION BY LARIMER COUNTY ASSESSOR

Name of Jurisdiction **141 - LOVELAND MIDTOWN METROPOLITAN DISTRICT**
 IN LARIMER COUNTY, COLORADO ON August 22, 2014

New Entry: No

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY

IN ACCORDANCE WITH 39-5-121(2)(a) AND 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2014:

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	3,460,810
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: ✖	3,482,760
3. LESS TOTAL TIF AREA INCREMENTS, IF ANY:	0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	3,482,760
5. NEW CONSTRUCTION: ‡	45,536
6. INCREASED PRODUCTION OF PRODUCING MINE: ≈	0
7. ANNEXATIONS/INCLUSIONS:	0
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: ≈	0
9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(1)(b), C.R.S.): †	0
10. TAXES RECEIVED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1)(a), C.R.S.). Includes all revenue collected on valuation not previously certified:	\$0.00
11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a), C.R.S.) and (39-10-114(1)(a)(I)(B), C.R.S.):	\$790.81

✖ This value reflects personal property exemptions IF enacted by the Jurisdiction as authorized by Art. X, Sec.20(b)(b), Colorado Constitution.

‡ New construction is defined as: Taxable real property structures and the personal property connected with the structure.

≈ Jurisdiction must submit to the Division of Local Government respective Certifications of Impact in order for the values to be treated as growth in the limit calculation; use Forms DLG 52 and 52A.

† Jurisdiction must apply to the Division of Local Government before the value can be treated as growth in the limit calculation; use Form DLG 52B.

USE FOR TABOR "LOCAL GROWTH" CALCULATIONS ONLY

IN ACCORDANCE WITH ARTICLE X, SECTION 20, COLORADO CONSTITUTION AND 39-5-121(2)(b), C.R.S., THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2014:

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: ¶	43,512,670
ADDITIONS TO TAXABLE REAL PROPERTY	
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: **	572,062
3. ANNEXATIONS/INCLUSIONS:	0
4. INCREASED MINING PRODUCTION: §	0
5. PREVIOUSLY EXEMPT PROPERTY:	199,890
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT:	0

(If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.)

DELETIONS FROM TAXABLE REAL PROPERTY

8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	0
9. DISCONNECTIONS/EXCLUSIONS:	0
10. PREVIOUSLY TAXABLE PROPERTY:	345,596

¶ This includes the actual value of all taxable real property plus the actual value of religious, private schools, and charitable real property.

** Construction is defined as newly constructed taxable real property structures.

§ Includes production from new mines and increases in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS :

1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY:	0
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NOTE: All levies must be Certified to the County Commissioners NO LATER THAN DECEMBER 15