

CERTIFIED RECORD
OF
PROCEEDINGS RELATING TO
LOVELAND MIDTOWN METROPOLITAN DISTRICT
LARIMER COUNTY, COLORADO
AND THE BUDGET HEARING
FOR FISCAL YEAR
2017

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., 1638 East 18th Street, Loveland, CO 80538 on October 20, 2016, 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, Amanda Castle and Dylan Engberg; 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 2017 budget. Director Rappe opened the public hearing on the District's proposed 2017 budget. There being no public comment on the District's budget, the public hearing was closed.

Thereupon, Director Vinding 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 2017, AND ENDING ON THE LAST DAY OF DECEMBER 2017,

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 12, 2016 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 20, 2016, 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. 2017 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. 2017 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 2017. 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 2017.

Section 4. 2017 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 \$85,386, and for the Debt Service Fund from property taxes is \$69,861. That the 2016 valuation for assessment, as certified by the Larimer County Assessor, is \$3,881,174.

- A. Levy for General Fund. That for the purposes of meeting all general operating expense of the District during the 2017 budget year, there is hereby levied a tax of 22.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2016.

- 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 2017 budget year, there is hereby levied a tax of 18.000 mills upon each dollar of the 2016 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 \$ 3,881,174 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: \$ 3,881,174 (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)

Submitted: 12/15/2016 for budget/fiscal year 2017
(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	22.000 mills	\$ 85,385.83
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	22.000 mills	\$ 85,385.83
3. General Obligation Bonds and Interest ^J	18.000 mills	\$ 69,861.13
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	\$ 155,246.96

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:	18.000
Revenue:	69,861.13

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: _____

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.

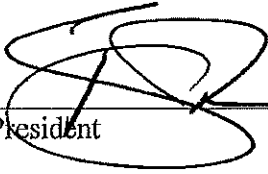
Section 7. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

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 Zimmerman.

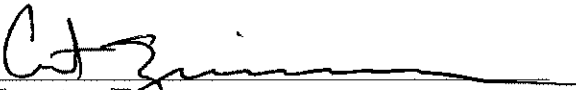
[Remainder of page intentionally left blank]

ADOPTED AND APPROVED this 20th day of October, 2016.



President

ATTEST:

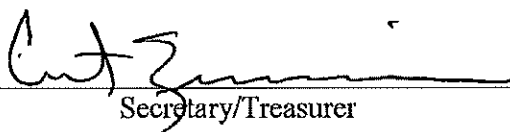


Secretary/Treasurer

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 9, 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., 1638 E. 18th Street, CO 80538 on October 20, 2016, at 10:30 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 2017; 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 2017 budget of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name on this 20th day of October, 2016.



Secretary/Treasurer



Accountant's Financial Statement Preparation Report

BOARD OF DIRECTORS
LOVELAND MIDTOWN METROPOLITAN DISTRICT

I have prepared the accompanying forecasted budget of revenue, expenditures and funds balances of the Loveland Midtown Metropolitan District for the year ending December 31, 2017, including the forecasted estimate of comparative information for the year ending December 31, 2016. I have not audited, reviewed or compiled the accompanying forecast and, accordingly, do not express an opinion or provide any assurance about whether the forecast is in accordance with accounting principles generally accepted in the United States of America.

The actual historical information for the year 2015 is presented for comparative purposes only.

Substantially all of the disclosures required by accounting principles generally accepted in the United States of America have been omitted. 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.

A handwritten signature in black ink, appearing to read "B. Campbell", is written over a horizontal line.

Brendan Campbell, CPA
January 30, 2017

LOVELAND MIDTOWN METROPOLITAN DISTRICT				
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS				
December 31, 2015 Actual, 2016 Adopted and Projected Budget				
2017 Adopted Budget				
Modified Accrual Budgetary Basis				
GENERAL FUND	2015	2016	2016	2017
	Unaudited	Adopted	Projected	Adopted
Revenues	Actual	Budget	Actual	Budget
Property Taxes	\$83,362	\$89,145	\$89,145	\$85,386
Specific Ownership Taxes	7,335	6,686	6,686	6,404
Annual O&M Fees	-	-	-	-
Interest Income & Other	75	57	500	500
Total Revenues	\$90,772	\$95,888	\$96,331	\$92,290
Expenditures				
Accounting	\$6,384	\$8,200	\$8,200	\$8,600
District Management, Admin & Facilities	19,858	22,000	24,000	26,000
Fee Billings	0	0	0	0
Election	0	2,000	1,347	0
Insurance & Risk management	2,745	3,000	3,653	4,020
Legal	5,149	6,000	6,400	6,700
Landscape Maintenance	25,583	24,850	24,850	18,100
Hardscape Maintenance	3,359	2,500	2,500	4,500
Repairs and Replacements	0	17,500	17,500	9,500
Utilities	13,455	12,200	16,000	14,500
Website Maintenance	300	300	300	350
Office, Dues, Newsletters & Other	984	1,000	1,000	1,000
Treasurer's Fees	1,668	1,783	1,784	1,708
Total Operating Expenditures	\$79,484	\$101,333	\$107,534	\$94,978
Revenues over/(under) Expend	\$11,288	(\$5,445)	(\$11,203)	(\$2,688)
Beginning Fund Balance	37,065	37,956	48,353	37,150
Ending Fund Balance	\$48,353	\$32,511	\$37,150	\$34,462
DEBT SERVICE FUND				
	2015	2016	2016	2017
	Unaudited	Adopted	Projected	Adopted
Revenues	Actual	Budget	Actual	Budget
Property Taxes	\$55,574	\$65,890	\$65,890	\$69,861
Specific Ownership Tax	4,890	4,942	4,942	5,240
Total Revenues	\$60,465	\$70,831	\$70,831	\$75,101
Expenditures				
Bond Interest - 2011A	\$62,484	\$69,491	\$69,491	\$72,974
Bond Principal - 2011A	-	-	-	729
Treasurer's Fees	1,112	1,318	1,318	1,397
Total Debt Service Expenditures	\$63,595	\$70,809	\$70,809	\$75,100
Revenues over/(under) Expenditures	(\$3,131)	\$22	\$22	\$0
Beginning Fund Balance	3,914	0	783	805
Ending Fund Balance	\$783	\$22	\$805	\$806

LOVELAND MIDTOWN METROPOLITAN DISTRICT

2017 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 2017 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 2017 budget include the following:

- The District's assessed value increased by \$5,309 to \$3,881,174.
- Based on the 2011 bond documents, the Mill Levy in the Debt Service Fund increased by 1 mill to 18 mills in 2017, causing the General Fund mill to decrease 1 mill to 22 mills. The decrease in the General Fund mill levy caused a decrease in the General Fund property tax revenue of \$3,759.

General Fund

Revenue

The District has an assessed value of \$3,881,174 and a certified mill levy in the General Fund of 22 mills, which will produce property tax revenue of \$85,386. Specific ownership tax is estimated at 7.5% of property tax revenue in the amount of \$6,404. The District also estimates \$500 in interest and other income.

Expenses

In 2017, the District's budget for general and administrative expenditures is \$94,978, a decrease of \$6,355 from the 2016 budget. The District anticipates Landscape expense of \$18,100, District Management expense of \$26,000, utilities expense of \$14,500 and repairs and replacements expense of \$9,500.

Debt Service

Revenue

The District has an assessed value of \$3,881,174 and a certified mill levy in the Debt Service Fund of 18 mills, which will produce property tax revenue of \$69,861. Specific ownership tax is estimated at 7.5% of property tax revenue in the amount of \$5,240.

Expenses

Expenditures for interest and other payments budgeted in the amount of \$75,100 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.

In 2017, the District anticipates an interest payment of \$72,974. This will cover the \$6,179 shortfall from 2016, plus \$66,795 interest payable in 2016. The Debt Service Mill Levy will increase to 18 mills in 2017, the District will make a payment of \$729 towards the \$5,000 shortfall from 2016. The District will not be able to make the Principal payment due of \$5,000.

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 2017, as defined under TABOR.