

CERTIFIED RECORD
OF
PROCEEDINGS RELATING TO
LOVELAND MIDTOWN METROPOLITAN DISTRICT
LARIMER COUNTY, COLORADO
AND THE BUDGET HEARING
FOR FISCAL YEAR
2019

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., 550 West Eisenhower Boulevard, Loveland, CO 80537 on September 19, 2018, at 10:00 AM.

The following members of the Board of Directors were present:

Blaine Rappe, President
Nathan Klein, Vice President
Eric Holsapple, Asst. Secretary/Treasurer (via teleconference)

Also in attendance were:

Deborah Early, Icenogle, Seaver, Pogue, P.C.
Kammy Tinney, Molly Janzen, Darcy Chilton, Katie McCormack; 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 2019 budget. Director Rappe opened the public hearing on the District's proposed 2019 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 2019, AND ENDING ON THE LAST DAY OF DECEMBER 2019,

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 September 11, 2018 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 September 19, 2018, 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. 2019 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. 2019 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 2019. 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 2019.

Section 4. 2019 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 \$110,502, and for the Debt Service Fund from property taxes is \$90,412. That the 2018 valuation for assessment, as certified by the Larimer County Assessor, is \$4,543,302.

- A. Levy for General Fund. That for the purposes of meeting all general operating expense of the District during the 2019 budget year, there is hereby levied a tax of 24.322 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2018.

- B. Levy for General Obligation Bonds and Interest. That for the purposes of meeting all general obligation bonds principal and interest payments during the 2019 budget year, there is hereby levied a tax of 19.900 mills upon each dollar of the 2018 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 44.222 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 \$ 4,543,302 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: \$ 4,543,302 (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)

Submitted: 12/13/2018 for budget/fiscal year 2019.
(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>24.322</u> mills	\$ <u>110,502.19</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	24.322 mills	\$ 110,502.19
3. General Obligation Bonds and Interest ^J	<u>19.900</u> mills	\$ <u>90,411.71</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]	44.222 mills	\$ 200,913.90

Contact person: (print) Brendan Campbell Daytime phone: (970) 669-3611
Signed: [Signature] 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: | 19.900 |
| | Revenue: | 90,411.71 |
| | | |
| 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.

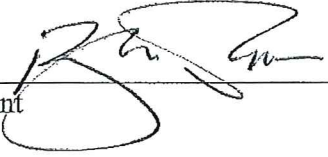
Section 7. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

Section 8. Budget Certification. That the budget shall be certified by Director Klein, 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.

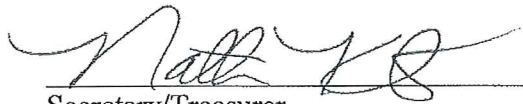
[Remainder of page intentionally left blank]

ADOPTED AND APPROVED this 19th day of September 2018.



President

ATTEST:



Secretary/Treasurer

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

I, Nathan Klein, 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., 550 West Eisenhower Boulevard, Loveland, CO 80537 on September 19, 2018, 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 2019; 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 2019 budget of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name on this 19th day of September, 2018.



Nathan Klein, Secretary/Treasurer



Accountant's Financial Statement Preparation Report

BOARD OF DIRECTORS
LOVELAND MIDTOWN METROPOLITAN DISTRICT

I have prepared the accompanying forecasted budget of revenues, expenditures and fund balances of the Loveland Midtown Metropolitan District for the year ending December 31, 2019, including the forecasted estimate of comparative information for the year ending December 31, 2018. 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 2017 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 blue ink, appearing to read "B. Campbell", is positioned above the printed name.

Brendan Campbell, CPA
January 18, 2019

LOVELAND MIDTOWN METROPOLITAN DISTRICT				18-Jan-19
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS				
December 31, 2017 Actual, 2018 Amended Budget and Projected Actual				
2019 Adopted Budget				
Modified Accrual Budgetary Basis				
GENERAL FUND	2017	2018	2018	2019
	Unaudited	Amended	Projected	Adopted
Revenues	Actual	Budget	Actual	Budget
Property Taxes	\$ 85,321	\$ 110,585	\$ 110,585	\$ 110,502
Specific Ownership Taxes	7,937	8,294	9,114	8,840
ARC Fees	1,100	600	200	200
Covenant Violations	2,505	500	300	300
Interest Income & Other	1,459	3,500	1,700	2,000
Total Revenues	\$ 98,322	\$ 123,479	\$ 121,899	\$121,842
Expenditures				
Accounting	\$ 8,603	\$ 9,700	\$ 9,700	\$ 11,644
District Management, Admin & Facilities	26,018	27,900	27,880	32,775
Election	-	1,500	859	-
Insurance & Risk management	3,466	3,813	3,510	3,861
Legal	6,929	6,700	6,700	7,000
Landscape Maintenance	18,097	19,348	19,348	20,368
Hardscape Maintenance	880	7,500	7,500	7,660
Repairs and Replacements	9,094	9,250	9,250	4,555
Utilities	14,410	18,025	23,450	25,795
Website Maintenance	300	350	350	350
Office, Dues, Newsletters & Other	814	1,500	1,500	3,200
Treasurer's Fees	1,707	2,212	2,212	2,210
Repay Developer Advances	-	20,190	15,190	-
Total Operating Expenditures	\$ 90,318	\$ 127,988	\$ 127,449	\$ 119,418
Revenues Over/(Under) Expenditures	\$ 8,004	\$ (4,509)	\$ (5,550)	\$ 2,424
Beginning Fund Balance	53,129	52,451	61,133	55,583
Ending Fund Balance	\$ 61,133	\$ 47,942	\$ 55,583	\$ 58,007
Components of Ending Fund Balance				
Emergency Reserve	\$ 2,950	\$ 3,234	\$ 3,657	\$ 3,583
Nonspendable	3,510	-	3,861	4,247
Operating Reserve	22,580	26,950	28,065	29,855
Capital Reserve	10,000	20,000	20,000	20,000
Unassigned	22,093	2,948	-	322
Total Fund Balance	\$ 61,133	\$ 53,132	\$ 55,583	\$ 58,007
See Accompanying Accountant's Report				

LOVELAND MIDTOWN METROPOLITAN DISTRICT				18-Jan-19
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS				
December 31, 2017 Actual, 2018 Adopted Budget and Projected Actual				
2019 Adopted Budget				
Modified Accrual Budgetary Basis				
DEBT SERVICE FUND				
	2017	2018	2018	2019
	Unaudited	Adopted	Projected	Adopted
Revenues	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>
Property Taxes	\$ 69,808	\$ 90,480	\$ 90,480	\$ 90,412
Specific Ownership Tax	6,494	6,786	8,000	7,233
Total Revenues	\$ 76,302	\$ 97,266	\$ 98,480	\$ 97,645
Expenditures				
Bond Interest - 2011A	\$ 73,162	\$ 66,490	\$ 66,490	\$ 65,880
Bond Principal - 2011A	541	19,811	29,459	10,000
Bond Interest - 2011B	-	10,310	662	22,373
Treasurer's Fees	1,397	1,810	1,810	1,808
Total Debt Service Expenditures	\$ 75,100	\$ 98,421	\$ 98,421	\$ 100,061
Revenues Over/(Under) Expenditures	\$ 1,202	\$ (1,155)	\$ 59	\$ (2,416)
Beginning Fund Balance	1,155	1,155	2,357	2,416
Ending Fund Balance	\$ 2,357	\$ -	\$ 2,416	\$ -
See Accompanying Accountant's Report				

LOVELAND MIDTOWN METROPOLITAN DISTRICT

2019 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 2019 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 economical manner possible.

General Fund

Revenues

The District has an assessed value of \$4,543,302 and a certified mill levy in the General Fund of 24.322 mills, which will produce property tax revenues of \$110,502. Specific ownership taxes are estimated at 8% of property tax revenues in the amount of \$8,840. The District also estimates \$2,000 in interest and other income, \$200 in ARC fees and \$300 in revenues related to covenant violations.

Expenditures

In 2019, the District's budget for total operating expenditures is \$119,418, a decrease of \$8,031 from the 2018 projected amount, attributable to the exclusion of repayment toward the developer advance note in 2019.

Debt Service

Revenues

The District has an assessed value of \$4,543,302 and a certified mill levy in the Debt Service Fund of 19.900 mills, which will produce property tax revenue of \$90,412. Specific ownership tax is estimated at 8% of property tax revenues in the amount of \$7,233.

Expenditures

Expenditures for interest and other payments budgeted in the amount of \$100,061 are primarily for debt-related payments (principal and interest) in the total amount of \$98,253 with the other \$1,808 budgeted for treasurer's fees (2% of property tax revenues).

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.

Fund Balance/Reserves

The District has provided for an emergency reserve fund equal to at least 3% of the fiscal year spending for 2019, as defined under TABOR. Anticipated General Fund 2019 ending fund balance is \$58,007.

CERTIFICATION OF VALUATION BY LARIMER COUNTY ASSESSOR

Name of Jurisdiction: **141 - LOVELAND MIDTOWN METRO DISTRICT**

IN LARIMER COUNTY ON 11/26/2018

New Entity: No

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY
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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 2018 IN LARIMER COUNTY, COLORADO

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$4,546,712
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: *	\$4,543,302
3. LESS TIF DISTRICT INCREMENT, IF ANY:	\$0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$4,543,302
5. NEW CONSTRUCTION: **	\$0
6. INCREASED PRODUCTION OF PRODUCING MINES: #	\$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 COLLECTED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1))(a) C.R.S.):	\$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.):	\$117.48

* This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec.20(8)(b), Colo.

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

Jurisdiction must submit respective certifications (Forms DLG 52 AND 52A) to the Division of Local Government in order for the values to be treated as growth in the limit calculation.

Jurisdiction must apply (Forms DLG 52B) to the Division of Local Government before the value can be treated as growth in the limit calculation.

USE FOR 'TABOR' LOCAL GROWTH CALCULATIONS ONLY

IN ACCORDANCE WITH THE PROVISION OF ARTICLE X, SECTION 20, COLO CONST, AND 39-5-121(2)(b), C.R.S. THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2018 IN LARIMER COUNTY, COLORADO ON AUGUST 25, 2018

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @	\$62,838,600
ADDITIONS TO TAXABLE REAL PROPERTY:	
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: !	\$0
3. ANNEXATIONS/INCLUSIONS:	\$0
4. INCREASED MINING PRODUCTION: %	\$0
5. PREVIOUSLY EXEMPT PROPERTY:	\$0
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/EXCLUSION:	\$0
10. PREVIOUSLY TAXABLE PROPERTY:	\$0

@ 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 Board of County Commissioners NO LATER THAN DECEMBER 15, 2018

Data Date: 11/26/2018