

CERTIFIED RECORD
OF
PROCEEDINGS RELATING TO
LOVELAND MIDTOWN METROPOLITAN DISTRICT
LARIMER COUNTY, COLORADO
AND THE BUDGET HEARING
FOR FISCAL YEAR
2018

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 October 25, 2017, at 10:00 AM, continued to November 2, 2017, at 10:00 AM, and continued to Tuesday, November 28, 2017, 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
Curtis D. Zimmerman, Secretary/Treasurer

Also in attendance were:

Deborah Early, Icenogle, Seaver, Pogue, P.C.
Tom Flock, Amanda Castle, Molly Janzen and Darcy Chilton; Pinnacle Consulting Group, Inc.

Mr. Flock stated that proper publication was made to allow the Board to conduct a public hearing on the District's 2018 budget. Director Rappe opened the public hearing on the District's proposed 2018 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 2018, AND ENDING ON THE LAST DAY OF DECEMBER 2018,

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 19, 2017 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 25, 2017, continued to November 2, 2017, and continued to November 28, 2017, 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. 2018 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. 2018 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 2018. 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 2018.

Section 4. 2018 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 \$110,585.13, and for the Debt Service Fund from property taxes is

\$90,479.57. That the 2017 valuation for assessment, as certified by the Larimer County Assessor, is \$4,546,712.

- A. Levy for General Fund. That for the purposes of meeting all general operating expense of the District during the 2018 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 2017.
- B. Levy for General Obligation Bonds and Interest. That for the purposes of meeting all general obligation bonds principal and interest payments during the 2018 budget year, there is hereby levied a tax of 19.900 mills upon each dollar of the 2017 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 \$ 4,546,712 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: \$ 4,546,712 (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)

Submitted: 12/14/2017 for budget/fiscal year 2018
(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>110,585.13</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	<u>24.322</u> mills	\$ <u>110,585.13</u>
3. General Obligation Bonds and Interest ^J	<u>19.900</u> mills	\$ <u>90,479.57</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]	<u>44.222</u> mills	\$ <u>201,064.70</u>

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: 90,479.57

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 Holsapple.

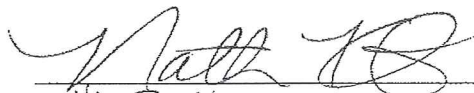
[Remainder of page intentionally left blank]

ADOPTED AND APPROVED this 28th day of November, 2017.



President

ATTEST:

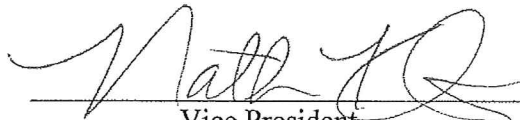


Vice President

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

I, Nathan Klein, Vice President 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 October 25, 2017, at 10:00 AM, continued to November 2, 2017, at 10:00 AM, and continued to Tuesday, November 28, 2017, 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 2018; 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 2018 budget of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name on this 28th day of November, 2017.



Vice President



PINNACLE
CONSULTING GROUP, INC.

Accountant's 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, 2018, including the forecasted estimate of comparative information for the year ending December 31, 2017. 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 2016 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.

Brendan Campbell, CPA
January 18, 2018

LOVELAND MIDTOWN METROPOLITAN DISTRICT				19-Jan-18
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS				
December 31, 2016 Actual, 2017 Amended Budget and Projected Actual				
2018 Adopted Budget				
Modified Accrual Budgetary Basis				
GENERAL FUND	2016	2017	2017	2018
	Unaudited	Amended	Projected	Adopted
Revenues	Actual	Budget	Actual	Budget
Property Taxes	\$ 89,145	\$ 85,386	\$ 85,386	\$ 110,585
Specific Ownership Taxes	7,158	6,404	7,000	8,294
ARC Fees	-	-	1,000	600
Covenant Violations	-	-	300	500
Interest Income & Other	796	500	3,000	3,500
Total Revenues	\$ 97,099	\$ 92,290	\$ 96,686	\$123,479
Expenditures				
Accounting	\$ 7,954	\$ 8,600	\$ 8,600	\$ 9,700
District Management, Admin & Facilities	24,120	26,000	26,000	27,900
Election	1,347	-	-	1,500
Insurance & Risk management	3,653	4,020	3,466	3,813
Legal	6,398	6,700	6,700	6,700
Landscape Maintenance	21,253	18,100	18,100	19,348
Hardscape Maintenance	8,481	4,500	2,350	7,500
Repairs and Replacements	828	9,500	11,589	9,250
Utilities	15,456	17,500	17,500	18,025
Website Maintenance	300	350	350	350
Office, Dues, Newsletters & Other	749	1,000	1,000	1,500
Treasurer's Fees	1,784	1,708	1,709	2,212
Repay Developer Advances	-	-	-	15,000
Total Operating Expenditures	\$ 92,323	\$ 97,978	\$ 97,364	\$ 122,798
Revenues Over/(Under) Expenditures	\$ 4,776	\$ (5,688)	\$ (678)	\$ 681
Beginning Fund Balance	48,353	37,150	53,129	52,451
Ending Fund Balance	\$ 53,129	\$ 31,462	\$ 52,451	\$53,132
Components of Ending Fund Balance				
Emergency Reserve	\$ 2,770	\$ 2,939	\$ 2,921	\$ 3,234
Operating Reserve	23,081	24,495	24,341	26,950
Capital Reserve	-	-	10,000	20,000
Unassigned	27,279	4,028	15,189	2,948
Total Fund Balance	\$ 53,129	\$ 31,462	\$ 52,451	\$ 53,132
DEBT SERVICE FUND	2016	2017	2017	2018
	Unaudited	Adopted	Projected	Adopted
Revenues	Actual	Budget	Actual	Budget
Property Taxes	\$ 65,890	\$ 69,861	\$ 69,861	\$ 90,480
Specific Ownership Tax	5,291	5,239	5,239	6,786
Total Revenues	\$ 71,181	\$ 75,100	\$ 75,100	\$ 97,266
Expenditures				
Bond Interest - 2011A	\$ 69,491	\$ 72,974	\$ 73,162	\$ 66,490
Bond Principal - 2011A	-	729	541	19,811
Bond Interest - 2011B	-	-	-	10,310
Treasurer's Fees	1,318	1,397	1,397	1,810
Total Debt Service Expenditures	\$ 70,809	\$ 75,100	\$ 75,100	\$ 98,421
Revenues Over/(Under) Expenditures	\$ 372	\$ -	\$ -	\$ (1,155)
Beginning Fund Balance	783	806	1,155	1,155
Ending Fund Balance	\$ 1,155	\$ 806	\$ 1,155	\$ -

LOVELAND MIDTOWN METROPOLITAN DISTRICT

2018 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 2018 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 2018 budget include the following:

- The District's assessed value increased by \$665,538 to \$4,546,712.
- The General Fund Mill Levy increased from 22.000 mills in 2017 to 24.322 in 2018, and the Debt Service Fund Mill Levy increased from 18.000 in 2017 to 19.900 Mills in 2018 due to implementation of a Gallagher adjustment. This ability to adjust was approved by voters in 2004.

General Fund

Revenues

The District has an assessed value of \$4,546,712 and a certified mill levy in the General Fund of 24.322 mills, which will produce property tax revenues of \$110,585. Specific ownership tax is estimated at 7.5% of property tax revenue in the amount of \$8,294. The District also estimates \$3,500 in interest and other income, \$600 in ARC fees and \$500 in revenue related to covenant violations.

Expenditures

In 2018, the District's budget for general and administrative expenditures is \$122,798, an increase of \$24,820 from the 2017 budget, mostly attributable to a \$15,000 repayment toward the developer advance note.

Debt Service

Revenues

The District has an assessed value of \$4,546,712 and a certified mill levy in the Debt Service Fund of 19.900 mills, which will produce property tax revenue of \$90,480. Specific ownership tax is estimated at 7.5% of property tax revenue in the amount of \$6,786.

Expenditures

Expenditures for interest and other payments budgeted in the amount of \$98,421 are primarily for debt-related payments (principal and interest) in the total amount of \$96,611 with the other \$1,810 for treasurer's fees.

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 2018, as defined under TABOR.

CERTIFICATION OF VALUATION BY LARIMER COUNTY ASSESSOR

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

IN LARIMER COUNTY ON 11/27/2017

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 2017 IN LARIMER COUNTY, COLORADO

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$3,881,174
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: *	\$4,546,712
3. LESS TIF DISTRICT INCREMENT, IF ANY:	\$0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$4,546,712
5. NEW CONSTRUCTION: **	\$1
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.):	\$0.00

* 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 2017 IN LARIMER COUNTY, COLORADO ON AUGUST 25, 2017

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @	\$62,915,400
ADDITIONS TO TAXABLE REAL PROPERTY:	
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: !	\$5
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: <small>(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.)</small>	\$0
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, 2017

Data Date: 11/27/2017