

Loveland Midtown Metropolitan District

December 27, 2010

Via email: dlg-filing@state.co.us

Mr. Jarrod Biggs
Colorado Division of Local Government
1313 Sherman Street, Room 521
Denver, CO 80203

RE: Loveland Midtown Metropolitan District Budget for 2011 and Amended 2010 District Budget

Dear Mr. Biggs:

Attached are true and accurate copies of the adopted 2011 and amended 2010 budget for the Loveland Midtown Metropolitan District in Larimer County, Colorado, submitted pursuant to C.R.S. Section 29-1-113. The budget was adopted on December 1, 2010.

If there are any questions on the budget, please contact our office at (970) 669-3611

Sincerely,
LOVELAND MIDTOWN METROPOLITAN DISTRICT



Pinnacle Consulting Group Inc.
Accounting Manager

Enc.

Managed by Pinnacle Consulting Group, Inc.
5110 Granite Street, Suite C
Loveland, CO 80538
Phone: (970) 669-3611 * Fax: (970) 669-3612



Accountant's Report

BOARD OF DIRECTORS
LOVELAND MIDTOWN METROPOLITAN DISTRICT

I have compiled the accompanying amended budget of revenue, expenditures and funds available prepared on the modified accrual basis of the Loveland Midtown Metropolitan District for the year ending December 31, 2010 and forecasted budget of revenue, expenditures and funds available prepared on the modified accrual basis of the Loveland Midtown Metropolitan District for the year ending December 31, 2011 in accordance with standards established by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation of a forecasted financial statement is limited to presenting in the form of a forecast, information that is the representation of management of the District and does not include evaluation of the support for the assumptions underlying the forecast. I have not examined the forecast and, accordingly, do not express an opinion or any other form of assurance on the accompanying forecasted statement or assumptions. 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 or circumstances occurring after the date of this report.

The Governmental Accounting Standards Board requires the presentation of a balance sheet, a statement of operations and accumulated fund balance and a statement of cash flows and related full disclosure footnotes for the financial statements to be in compliance with generally accepted accounting principles. Management does not require complete financial statements to manage the affairs of the District on a monthly basis and has determined not to include the above statements and full disclosure footnotes. Consequently, as presented, the financial statements are not in conformity with generally accepted accounting principles.

I am not independent with respect to the Loveland Midtown Metropolitan District.

A handwritten signature in blue ink that reads "Peggy Dowswell".

Peggy Dowswell, CPA
December 27, 2010

5110 Granite St, Ste C
Loveland, CO 80538
(970) 669-3611
(970) 669-3612 fax

LOVELAND MIDTOWN METROPOLITAN DISTRICT

2011 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 following 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.

2011 BUDGET STRATEGY

The District's strategy in preparing the 2011 budget is to strive to 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. The District has budgeted to collect \$95,594 in property tax revenues, \$5,736 in specific ownership tax revenues and \$40 of interest income in 2011, for total revenue of \$101,370. The expenditures for the District consist of administrative and operating costs of \$100,322.