

Loveland Midtown Metropolitan District

January 30, 2012

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 2012 and Amended 2011 District Budget

Dear Mr. Biggs:

Attached are true and accurate copies of the adopted 2012 and amended 2011 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 13, 2011.

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



PINNACLE
CONSULTING GROUP, INC.

Accountant's Report

BOARD OF DIRECTORS
LOVELAND MIDTOWN METROPOLITAN DISTRICT

I have compiled the statements of revenues and expenditures for the year ended December 31, 2010 and the ten months ended October 31, 2011 for Loveland Midtown Metropolitan District. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

I have also compiled the accompanying adopted budgets of revenue, expenditures and funds available prepared on the modified accrual basis of the Loveland Midtown Metropolitan District for the year ending December 31, 2012 in accordance with standards established by the American Institute of Certified Public Accountants.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the company's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

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

Peggy Dowswell, CPA
January 20, 2012

LOVELAND MIDTOWN METROPOLITAN DISTRICT

2012 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.

2012 BUDGET STRATEGY

The District's strategy in preparing the 2012 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 \$68,737 in property tax revenues, \$4,124 in specific ownership tax revenues and \$68 of interest income in 2012, for total revenue of \$72,929. The expenditures for the District consist of administrative and operating costs of \$105,610.

In the Debt Service Fund, expenditures for interest and other payments budgeted in the amount of \$51,500 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 service will be paid by property tax revenues.

The Debt issuance related items were budgeted in both 2011 and 2012 due to the uncertainty of closing in late 2011. As the bonds did close in 2011, those issuance related items will not be necessary in 2012.

LOVELAND MIDTOWN METROPOLITAN DISTRICT					
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS					
December 31, 2010 Actual, 2011 Adopted Budget and Projected Actual,					
Year-to-date Actual, Budget and Variance through October 31, 2011					
2012 Adopted Budget					
Modified Accrual Budgetary Basis					
GENERAL FUND	2010	2011	2011	Actual	2012
	Unaudited	Adopted	Projected	Through	Adopted
Revenues	Actual	Budget	Budget	10/31/2011	Budget
Property taxes	\$86,443	\$95,594	\$95,241	\$95,241	\$68,737
Specific Ownership taxes	5,688	5,736	6,012	4,472	4,124
Interest Income & Other	210	40	75	65	68
Total Revenues	\$92,341	\$101,370	\$101,328	\$99,778	\$72,929
Expenditures					
Accounting	\$5,790	\$5,700	\$6,200	\$5,386	\$9,500
Audit	0	0	0	0	5,500
District Management & Administration	13,089	12,500	15,500	13,710	12,875
Election expense	1,018	0	0	0	2,000
Insurance & Risk management	1,786	2,000	1,949	1,949	2,500
Legal	4,045	5,000	5,000	3,067	5,000
Landscape Maint, Repairs & Maint	26,500	30,060	33,795	31,795	30,230
Utilities	11,396	12,000	14,200	13,435	14,200
Website Maintenance	0	0	0	0	300
Office, Dues, Newsletters & Other	1,025	1,150	1,150	937	1,150
Treasurer's fees	1,733	1,912	1,915	1,915	1,375
Repay Developer Operating Advances	72,153	30,000	0	0	0
Transfer to Debt Service	0	0	18,000	0	20,981
Contingency	0	0	0	0	0
Total Operating Expenditures	\$138,535	\$100,322	\$97,709	\$72,193	\$105,610
Revenues over/(under) Expend	(\$46,194)	\$1,048	\$3,619	\$27,585	(\$32,681)
Beginning Fund Balance	69,928	15,846	23,734	23,734	27,353
Ending Fund Balance	\$23,734	\$16,894	\$27,353	\$51,318	(\$5,328)
Components of Ending Fund Balance					
Restricted - Repair Reserve	\$3,000	\$9,000	\$9,000		\$12,000
Restricted - Tabor Reserve	4,156	3,010	2,931		3,168
Unrestricted	16,578	4,885	15,421		(20,497)
Total Fund Balance	\$23,734	\$16,894	\$27,353		(\$5,328)

LOVELAND MIDTOWN METROPOLITAN DISTRICT					
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS					
December 31, 2010 Actual, 2011 Adopted Budget and Projected Actual,					
Year-to-date Actual, Budget and Variance through October 31, 2011					
2012 Adopted Budget					
Modified Accrual Budgetary Basis					
DEBT SERVICE FUND					
	2010	2011	2011	Actual	2012
	Unaudited	Adopted	Amended	Through	Adopted
Revenues	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>#REF!</u>	<u>Budget</u>
Property Taxes	\$0	\$0	\$0	\$0	\$33,096
Specific Ownership Tax	0	0	0	0	1,986
Developer Funding of Bond Costs of Issue	0	0	33,500	0	33,500
Transfer from General Fund to cover Debt Svc		0	0		2,981
Transfer from General Fund for Costs of Issue	0	0	18,000	0	18,000
Total Revenues	\$0	\$0	\$51,500	\$0	\$89,562
Expenditures					
Bond Principal	\$0	\$0	\$0	\$0	\$0
Bond Interest - 2011A	0	0	0	0	37,400
Paying agent fees	0	0	0	0	0
Treasurer's fees	0	0	0	0	662
Contingency	0	0	0	0	0
Total Operating Expenditures	\$0	\$0	\$0	\$0	\$38,062
Revenues over/(under) Expenditures	\$0	\$0	\$51,500	\$0	\$51,500
Other Sources/(Uses) of Funds:					
Bond Proceeds	0	0	1,350,000	0	1,350,000
Payments of Developer Note	0	0	(1,350,000)	0	(1,350,000)
Bond Counsel	0	0	(20,500)	0	(20,500)
District Counsel	0	0	(15,000)	0	(15,000)
District Management/Accounting	0	0	(6,000)	0	(6,000)
Feasibility/ Office & Other	0	0	(10,000)	0	(10,000)
Net Other Sources/(Uses) of Funds	\$0	\$0	(\$51,500)	\$0	(\$51,500)
Rev over/(under) Exp after Other	\$0	\$0	\$0	\$0	\$0
Beginning Fund Balance	0	0	0	0	0
Ending Fund Balance	\$0	\$0	\$0	\$0	\$0