

CERTIFIED RECORD  
OF  
PROCEEDINGS RELATING TO  
**KINSTON METROPOLITAN DISTRICT NO. 2**  
LARIMER COUNTY, COLORADO  
AND THE BUDGET HEARING  
FOR FISCAL YEAR  
2025

STATE OF COLORADO    )  
                                  )  
COUNTY OF LARIMER   )ss.  
                                  )  
KINSTON                    )  
METROPOLITAN            )  
DISTRICT NO. 2            )

The Board of Directors of the Kinston Metropolitan District No. 2, Larimer County, Colorado, held a meeting via Microsoft Teams Thursday, November 14, 2024, at 1:00 P.M.

The following members of the Board of Directors were present:

Kim Perry, President  
Tim DePeder, Vice President  
Wendy Messinger, Secretary  
Brad Lenz, Asst. Secretary & Asst. Treasurer

Directors Absent, but Excused:  
Josh Kane, Treasurer & Secretary

Also in Attendance: Deborah Early; Icenogle Seaver Pogue, P.C.  
Bryan Newby, Wendy McFarland, Nic Ortiz, Brendan Campbell, and Dillon Gamber;  
Pinnacle Consulting Group, Inc.  
Jeff Breidenbach, Erik Robinson, and Christina Rotella; McWhinney.

Mr. Newby stated that proper publication was made to allow the Board to conduct a public hearing on the District's 2025 budget. Director Perry opened the public hearing on the District's proposed 2025 budget. There being no public comment on the District's budget, the public hearing was closed.

Thereupon, Director Messinger moved to adopt 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 KINSTON METROPOLITAN DISTRICT NO. 2, LARIMER COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2025, AND ENDING ON THE LAST DAY OF DECEMBER 2025,

WHEREAS, the Board of Directors of the Kinston Metropolitan District No. 2 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 November 6, 2024, 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 November 14, 2024, 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 THE KINSTON METROPOLITAN DISTRICT NO. 2 OF LARIMER COUNTY, COLORADO:

Section 1. 2025 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. 2025 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 2025. 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 Kinston Metropolitan District No. 2 for calendar year 2025.

Section 4. 2025 Levy of Property Taxes. That the foregoing budget indicated that the amount of money necessary to balance the budget from property taxes for the 2025 Budget year is \$1,000,076.60. That the 2024 valuation for assessment, as certified by the Larimer County Assessor, is \$11,437,028.

A. Levy for the Debt Service Fund. That for the purposes of meeting all debt service expense of the District during the 2025 budget year, there is hereby levied a tax of 70.408 mills upon each dollar of the 2024 total valuation of assessment of all taxable property within the District.

B. Levy for Contractual Obligations. That for the purposes of meeting all contractual obligations expense of the District during the 2025 budget year, there is hereby levied a tax of 17.034 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2024.

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 87.442 mill levy for the District hereinabove determined and set. That said certification shall be in substantially the following form:

**[Remainder of Page Left Blank Intentionally.]**

# CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

**TO:** County Commissioners<sup>1</sup> of Larimer County, Colorado.

**On behalf of the** Kinston Metropolitan District No. 2,  
(taxing entity)<sup>A</sup>

the Board of Directors  
(governing body)<sup>B</sup>

of the Kinston Metropolitan District No. 2  
(local government)<sup>C</sup>

**Hereby** officially certifies the following mills to be levied against the taxing entity's GROSS \$ 11,986,691 assessed valuation of: (GROSS<sup>D</sup> assessed valuation, Line 2 of the Certification of Valuation Form DLG 57<sup>E</sup>)

**Note:** If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area<sup>F</sup> 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: \$ 11,437,028 (NET<sup>G</sup> assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)  
**USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10**

**Submitted:** 12/15/2024 for budget/fiscal year 2025.  
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

<b>PURPOSE</b> (see end notes for definitions and examples)	<b>LEVY<sup>2</sup></b>	<b>REVENUE<sup>2</sup></b>
1. General Operating Expenses <sup>H</sup>	<u>0.000</u> mills	<u>\$ 0.00</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	< > mills	\$ < >
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	<b>0.000</b> mills	<b>\$ 0.00</b>
3. General Obligation Bonds and Interest <sup>J</sup>	<u>70.408</u> mills	<u>\$ 805,258.27</u>
4. Contractual Obligations <sup>K</sup>	<u>17.034</u> mills	<u>\$ 194,818.33</u>
5. Capital Expenditures <sup>L</sup>	_____ mills	\$ _____
6. Refunds/Abatements <sup>M</sup>	_____ mills	\$ _____
7. Other <sup>N</sup> (specify): _____	_____ mills	\$ _____
	_____ mills	\$ _____
<b>TOTAL:</b> [ Sum of General Operating Subtotal and Lines 3 to 7 ]	<b>87.442</b> mills	<b>\$ 1,000,076.60</b>

Contact person: Brendan Campbell Phone: (970) 669-3611  
Signed:  Title: District Accountant

Survey Question: Does the taxing entity have voter approval to adjust the general operating levy to account for changes to assessment rates?  Yes  No

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) 864-7720.

<sup>1</sup> 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.  
<sup>2</sup> 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<sup>J</sup>:**

- |    |                   |  |
|----|-------------------|--|
| 1. | Purpose of Issue: | Repayment of District No. 5 Limited Tax General Obligation Bonds |
|    | Series:           | 2020A and 2020B  |
|    | Date of Issue:    | 11/19/2020   |
|    | Coupon Rate:      | Various (4.625% to 7.500%)                                       |
|    | Maturity Date:    | 12/15/2052   |
|    | Levy:             | 70.408   |
|    | Revenue:          | 805,258.27   |
|    |                   |  |
| 2. | Purpose of Issue: | _____  |
|    | Series:           | _____  |
|    | Date of Issue:    | _____  |
|    | Coupon Rate:      | _____  |
|    | Maturity Date:    | _____  |
|    | Levy:             | _____  |
|    | Revenue:          | _____  |

**CONTRACTS<sup>K</sup>:**

- |    |                      |   |
|----|----------------------|---|
| 3. | Purpose of Contract: | To fund operations and maintenance for Kinston Metropolitan Districts           |
|    | Title:               | Amended and Restated Intergovernmental Agreement Concerning District Operations |
|    | Date:                | 11/19/2020  |
|    | Principal Amount:    | _____   |
|    | Maturity Date:       | _____   |
|    | Levy:                | 17.034  |
|    | Revenue:             | \$194,818.33  |
|    |                      |   |
| 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 Messinger, Secretary of the District, and made a part of the public records of Kinston Metropolitan District No. 2.

The foregoing Resolution was seconded by Director Lenz.

**[Remainder of Page Left Blank Intentionally.]**

ADOPTED AND APPROVED this 14th day of November 2024.

*Kim Perry*

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President

STATE OF COLORADO    )  
                                  )  
COUNTY OF LARIMER   )ss.  
                                  )  
KINSTON                    )  
METROPOLITAN            )  
DISTRICT NO. 2            )

I, Wendy Messinger, Secretary to the Board of Directors of the Kinston Metropolitan District No. 2, Larimer County, Colorado, do hereby certify that the foregoing pages 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 via Microsoft Teams on Thursday, November 14, 2024, at 1:00 p.m., as recorded in the official record of the proceedings of the District, insofar as said proceedings relate to the budget hearing for fiscal year 2025; 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 2025 budget of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the official seal of the District this 14th day of November, 2024.

*Wendy Messinger*  
\_\_\_\_\_



## Management Budget Report

BOARD OF DIRECTORS  
KINSTON METROPOLITAN DISTRICT NO. 2

We have presented the accompanying forecasted budget of revenues, expenditures and fund balances for the year ending December 31, 2025, including the comparative information of the forecasted estimate for the year ending December 31, 2024 and the actual historic information for the year 2023.

These financial statements are designed for management purposes and are intended for those who are knowledgeable about these matters. We 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. Substantially all 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 results of operations for the forecasted periods.

A handwritten signature in black ink, appearing to be "B. J. ...", is positioned above the typed name.

Pinnacle Consulting Group, Inc.  
January 31, 2025

### Offices Located in Loveland and Denver

Main office located at 550 W. Eisenhower Blvd., Loveland, CO 80537  
(970)669-3611 (303)333-4380  
[www.PCGI.com](http://www.PCGI.com)

*Serving our clients and community through excellent dependable service.*

<b>KINSTON METROPOLITAN DISTRICT NO. 2</b>				
<b>STATEMENT OF REVENUES &amp; EXPENDITURES WITH BUDGETS</b>				
<b>GENERAL FUND</b>				
	(a)	(b)	(c)	(d)
	<b>2023</b>	<b>2024</b>	<b>2024</b>	<b>2025</b>
	<b>Unaudited</b>	<b>Adopted</b>	<b>Projected</b>	<b>Adopted</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>	<b>Budget</b>
<b>Revenues</b>				
Property Taxes	\$ 6,136	\$ 596,191	\$ 596,191	\$ 1,000,077
Specific Ownership Taxes	10,229	35,771	39,000	60,005
Interest & Other	-	100	393	10,000
<b>Total Revenues</b>	<b>\$ 16,366</b>	<b>\$ 632,062</b>	<b>\$ 635,584</b>	<b>\$ 1,070,082</b>
Payment for Services to No. 1 - O&M	\$ 3,156	\$ 121,367	\$ 121,523	\$ 202,613
Payment for Services to No. 5 - Debt	13,046	501,652	502,309	837,467
Treasurer Fees	164	8,943	11,752	20,002
Contingency	-	100	-	10,000
<b>Total Operating Expenditures</b>	<b>\$ 16,366</b>	<b>\$ 632,062</b>	<b>\$ 635,584</b>	<b>\$ 1,070,082</b>
<b>Revenues Over/(Under) Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Beginning Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Mill Levy</b>				
Operating	15.000	16.861	16.861	17.034
Debt Service	62.000	69.694	69.694	70.408
<b>Total Mill Levy</b>	<b>77.000</b>	<b>86.555</b>	<b>86.555</b>	<b>87.442</b>
<b>Assessed Value</b>	<b>\$ 79,222</b>	<b>\$ 6,888,003</b>	<b>\$ 6,888,003</b>	<b>\$ 11,437,028</b>
<b>Property Tax Revenue</b>				
Operating	1,188	116,139	116,139	194,818
Debt Service	4,912	480,052	480,052	805,258
<b>Total Property Tax Revenue</b>	<b>\$ 6,100</b>	<b>\$ 596,191</b>	<b>\$ 596,191</b>	<b>1,000,077</b>

KINSTON METROPOLITAN DISTRICT NO. 2  
2025 BUDGET MESSAGE  
SUMMARY OF SIGNIFICANT ASSUMPTIONS

### **Services Provided**

Kinston Metropolitan District No. 2 is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act and was formed November 2019. The District was established in the City of Loveland, Colorado consisting of approximately 620 acres for primarily residential development. Along with its companion Districts No. 1 (“Service District”) and Nos. 3 through 10 (“Finance Districts”), this Finance District was organized to initially own, operate, and construct public facilities within the service area including sanitation, water, streets, traffic and safety controls, park and recreation, transportation, television relay and translation, mosquito and pest control, and security 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 2025 budget, the following goals are foremost for the District:

- Provide services as desired by the property owners and residents of the Multiple Districts in the most economic manner possible.

### **Revenues**

#### **Property Taxes**

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor as of January 1 of each year. The levy is set by December 15 by certification to the County commissioners office. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August, and generally, sale of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

#### **Specific Ownership Taxes**

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes the District's share will be equal to approximately 6 % of the property taxes collected.

KINSTON METROPOLITAN DISTRICT NO. 2  
2025 BUDGET MESSAGE  
SUMMARY OF SIGNIFICANT ASSUMPTIONS

**Expenditures**

**County Treasurer's Fees**

County Treasurer's collection fees have been computed at 2% of property taxes.

**General and Administrative**

Pursuant to the District Coordinating Services Agreement, the District will provide certain operation, maintenance and administrative services benefiting Kinston Metropolitan District Nos. 1-10 (collectively, "Districts"). General and administrative expenditures include the estimated costs of services necessary to maintain the District's administrative sustainability such as accounting/finance, district management/administration, audit, legal, insurance, and membership dues. The Districts will pay all costs of such services through the imposition of ad valorem property taxes and transferring the net tax revenues to the operating District No. 1.

**Debt**

The District Coordinating Services Agreement stipulates the District will own, operate and maintain all public improvements within the Districts. The Districts will pay all costs of such improvements through the pledge of ad valorem property taxes and transferring the net tax revenues to District No. 5 to pay debt service obligations.

**Reserves**

**Emergency Reserve**

The District transfers all its revenue to the Service District. Therefore, the emergency reserve related to this District is held in Kinston Metropolitan District No. 1.

# CERTIFICATION OF VALUATION BY LARIMER COUNTY ASSESSOR

Name of Jurisdiction: 371 - KINSTON METRO DISTRICT NO. 2

IN LARIMER COUNTY ON 11/22/2024

New Entity: No

**USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY**

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 2024 IN LARIMER COUNTY, COLORADO

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$6,888,003
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: *	\$11,986,691
3. LESS TIF DISTRICT INCREMENT, IF ANY:	\$549,663
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$11,437,028
5. NEW CONSTRUCTION: **	\$3,184,013
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 2024 IN LARIMER COUNTY, COLORADO ON AUGUST 25, 2024

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @	\$131,020,370
ADDITIONS TO TAXABLE REAL PROPERTY:	
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: !	\$47,521,283
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
<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>	
DELETIONS FROM TAXABLE REAL PROPERTY:	
8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	\$0
9. DISCONNECTIONS/EXCLUSION:	\$0
10. PREVIOUSLY TAXABLE PROPERTY:	\$500

@ 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, 2024

IN ACCORDANCE WITH 39-5-128(1.5)C.R.S. THE ASSESSOR PROVIDES: HB21-1312 ASSESSED VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): **	
** The tax revenue lost due to this exempted value will be reimbursed to the tax entity by the County Treasurer in accordance with 39-3-119 f(3). C.R.S.	