

CERTIFIED RECORD
OF
PROCEEDINGS RELATING TO
KINSTON METROPOLITAN DISTRICT NO. 3
LARIMER COUNTY, COLORADO
AND THE BUDGET HEARING
FOR FISCAL YEAR
2020

STATE OF COLORADO)
)
COUNTY OF LARIMER)ss.
)
KINSTON)
METROPOLITAN)
DISTRICT NO. 3)

The Board of Directors of the Kinston Metropolitan District No. 3, Larimer County, Colorado, held a meeting at the office of McWhinney Enterprises, 2725 Rocky Mountain Avenue, Suite 200, Loveland, Colorado 80538 on Thursday, December 19, 2019 at 12:00 P.M.

The following members of the Board of Directors were present:

David Crowder, President
Tim DePeder, Vice President
Kim Perry, Secretary
Courtney Parmelee, Asst. Secretary/Treasurer
Josh Kane, Treasurer

Also in attendance were: Alan Pogue; Icenogle Seaver Pogue, P.C.;
Jeff Breidenbach; McWhinney
Peggy Dowswell, Ryan Abbott, Shannon McEvoy, Elaina Cobb, Casey Milligan, Jason
Woolard, Brendan Campbell, and Irene McCaffrey; Pinnacle Consulting Group, Inc.

Mr. Abbott stated that proper publication was made to allow the Board to conduct a public hearing on the District's 2020 budget. Director Crowder opened the public hearing on the District's proposed 2020 budget. There being no public comment on the District's budget, the public hearing was closed.

Thereupon, Director Crowder 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. 3, LARIMER COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2020, AND ENDING ON THE LAST DAY OF DECEMBER 2020,

WHEREAS, the Board of Directors of the Kinston Metropolitan District No. 3 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 December 13, 2019, 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 December 19, 2019, 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. 3 OF LARIMER COUNTY, COLORADO:

Section 1. 2020 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. 2020 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 2020. 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. 3 for calendar year 2020.

Section 4. 2020 Levy of Property Taxes. That the foregoing budget indicated that the amount of money necessary to balance the budget from property taxes for the 2020 Budget year is \$0. That the 2019 valuation for assessment, as certified by the Larimer County Assessor, is \$0.

A. Levy for General Operating Fund. That for the purposes of meeting all general operating expense of the District during the 2020 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the 2019 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 0.000 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 Commissioners¹ of Larimer County, Colorado.

On behalf of the Kinston Metropolitan District No. 3,
 (taxing entity)^A
 the Board of Directors,
 (governing body)^B
 of the Kinston Metropolitan District No. 3
 (local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 0 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: \$ 0 (NET^G 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: 12/15/2019 for budget/fiscal year 2020.
 (no 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>0.000</u> mills	\$ <u>0.00</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	0.000 mills	\$ 0.00
3. General Obligation Bonds and Interest ^J	_____ mills	\$ _____
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]	0.000 mills	\$ 0.00

Contact person: Brendan Campbell Daytime phone: (970) 669-3611
 (print)
 Signed: _____ 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) 864-7720.

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).

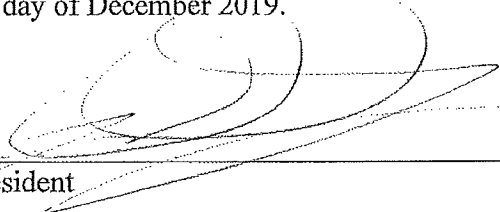
Section 7. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

Section 8. Budget Certification. That the budget shall be certified by Director Crowder, Assistant Secretary/Treasurer of the District, and made a part of the public records of Kinston Metropolitan District No. 3.

The foregoing Resolution was seconded by Director DePeder.

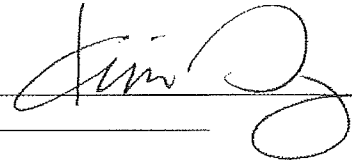
[Remainder of Page Left Blank Intentionally.]

ADOPTED AND APPROVED this 19th day of December 2019.



President

ATTEST:

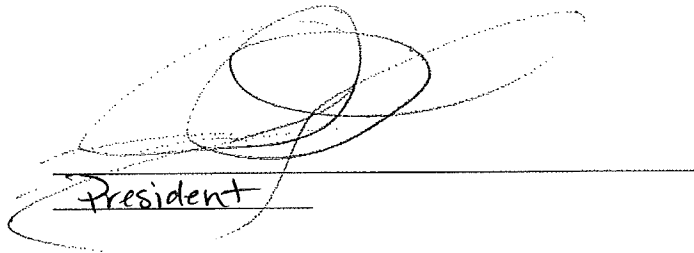


STATE OF COLORADO)
)
COUNTY OF LARIMER)ss.
)
KINSTON)
METROPOLITAN)
DISTRICT NO. 3)

I, David Crowder, President to the Board of Directors of the Kinston Metropolitan District No. 3, 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 McWhinney Enterprises, 2725 Rocky Mountain Avenue, Suite 200, Loveland, Colorado 80538 on Thursday, December 19, 2019, at 12:00 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 2020; 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 2020 budget of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the official seal of the District this 19th day of December, 2019.

(SEAL)



President



Accountant's Report

BOARD OF DIRECTORS
KINSTON METROPOLITAN DISTRICT NO. 3

I have prepared the accompanying forecasted budget of revenues, expenditures and fund balances of Kinston Metropolitan District No. 3 for the year ending December 31, 2020, including the forecasted estimate of comparative information for the year ending December 31, 2019. 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 2018 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 black ink, appearing to read "Brendan Campbell", is written over a light blue horizontal line.

Brendan Campbell, CPA
January 13, 2020

KINSTON METROPOLITAN DISTRICT NO. 3				
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS				
December 31, 2018 Actual, 2019 Adopted Budget and Projected Actual				
2020 Adopted Budget				
Modified Accrual Budgetary Basis				
	2018	2019	2019	2020
GENERAL FUND	Unaudited	Adopted	Projected	Adopted
Revenues	Actual	Budget	Actual	Budget
Property Taxes	\$ -	\$ -	\$ -	\$ -
Specific Ownership Taxes	-	-	-	-
Interest & Other	-	-	-	-
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Payment for Services to No. 1 - O&M	\$ -	\$ -	\$ -	\$ -
Treasurer Fees	-	-	-	-
Contingency	-	-	-	-
Total Operating Expenditures	\$ -	\$ -	\$ -	\$ -
Revenues Over/(Under) Expenditures	\$ -	\$ -	\$ -	\$ -
Beginning Fund Balance	\$ -	\$ -	\$ -	\$ -
Ending Fund Balance	\$ -	\$ -	\$ -	\$ -

KINSTON METROPOLITAN DISTRICT NO. 3 2020 BUDGET MESSAGE

Kinston Metropolitan District No. 3 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 No. 2, No. 4, No. 5, No. 6, No. 7, No. 8, No. 9, and No. 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 2020 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.

General Fund

The District budgeted no revenues and expenses in 2020. All services of the District will be provided through Kinston Metropolitan District No. 1.